

**PUBLIC SESSION AGENDA
NORTH CAROLINA STATE BOARD OF CPA EXAMINERS
SEPTEMBER 23, 2013
10:00 A.M.
1101 OBERLIN ROAD
RALEIGH, NC**

I. Administrative Items

A. Call to Order

In accordance with the State Government Ethics Act, it is the duty of every Board member to avoid both conflicts of interest and appearances of conflict. Does any Board member have any known conflict of interest or appearance of conflict with respect to any matters coming before the Board today? If so, please identify the conflict or appearance of conflict and refrain from any undue participation in the particular matter involved.

B. Welcome and Introduction of Guests

C. Approval of Agenda

D. Minutes

E. Financial/Budgetary Items

1. Financial Statements for August 2013

2. Review the Board Audit Report for the Year Ending March 31, 2013

II. Legislative & Rule-Making Items

III. National Organization Items

IV. State & Local Organization Items

V. Request for Declaratory Ruling

VI. Committee Reports

A. Professional Standards

B. Professional Education and Applications

VII. Public Comments

VIII. Closed Session

IX. Executive Staff and Legal Counsel Report

X. Adjournment

PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
August 19, 2013
1101 Oberlin Road
Raleigh, NC 27605

MEMBERS ATTENDING: Jose R. Rodriguez, CPA, President; Bucky Glover, CPA, Vice President; Maria M. Lynch, Esq., Secretary-Treasurer; Tawannah G. Allen, Ed.D.; Barton W. Baldwin, CPA; John M. Kledis, CPA; and Michael H. Womble, CPA.

STAFF ATTENDING: Robert N. Brooks, Executive Director; David R. Nance, CPA, Deputy Director; Frank Trainor, Esq., Staff Attorney; Lisa R. Hearne, Manager-Communications; Ann J. Hinkle, Manager-Professional Standards; Buck Winslow, Manager-Licensing; and Noel L. Allen, Legal Counsel.

GUESTS: James T. Ahler, CEO, NCACPA; Donna Taylor, CPA, NCACPA; Suzanne Jolicoeur, Senior Manager, State Regulation & Legislation, AICPA; James R. Hovis, Jr., CPA; Hardy Lewis, Esq.; and Robert Pully, Lynch & Eatman.

CALL TO ORDER: President Rodriguez called the meeting to order at 10:08 a.m.

MINUTES: The minutes of the July 22, 2013, meeting were approved as submitted.

FINANCIAL AND BUDGETARY ITEMS: The July 2013 financial statements were accepted as submitted.

LEGISLATIVE AND RULE-MAKING ITEMS: The Executive Director provided a brief update of the legislative session.

REPORT OF THE PROFESSIONAL STANDARDS COMMITTEE: Mr. Baldwin moved and the Board approved the following recommendations of the Committee:

Case No. 200602-021 – Michael H. Lippman, CPA – Approve a Notice of Hearing for November 18, 2013, at 10:00 a.m. Mr. Rodriguez did not participate in the discussion of this matter nor did he vote on the this matter.

Case No. 200602-029 – William L. Spitz, CPA – Approve a Notice of Hearing for December 16, 2013, at 10:00 a.m. Mr. Baldwin did not participate in the discussion of this matter nor did he vote on the this matter.

Case No. 200602-020 – R. Michael Gray, CPA – Approve the signed Consent Order (Appendix I). Mr. Rodriguez did not participate in the discussion of this matter nor did he vote on this matter.

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Case No. C2012290-1 and Case No. C2012290-2 - Mark J. Sunter, CPA - Approve the signed Consent Order (Appendix II).

The Board approved the following Orders (Appendix III) as consented to by the following individuals:

Case No. C2013090 - Arthur F. Beamer, CPA

Case No. C2013091 - Nancy P. Bourne, CPA

Case No. C2013092 - Lois K. Green, CPA

Case No. C2013093 - Albert J. Jacobson, CPA

Case No. C2013094 - Ellen M. McMillian, CPA

Case No. C2013095 - Earl W. Morrow, CPA

Case No. C2013096 - Courtney H. Murphy, CPA

Case No. C2013098 - Matthew E. Reeder, CPA

Case No. C2013099 - Teresa J. Todd, CPA

Case No. 2012378 - Close the case without prejudice but with a Letter of Warning.

Case No. 2013033 - Close the case without prejudice. Mr. Baldwin did not participate in the discussion of this matter nor did he vote on this matter.

Case No. 2012292-1 and Case No. 2012292-2 - Andre Hudson, CPA, and Andy Hudson, CPA, PLLC - Approve a Notice of Hearing for January 27, 2014, at 10:00 a.m.

Case No. C2013066 - Cary Greenberg, CPA - Approve the signed Consent Order (Appendix IV).

Case No. C2013065 - Claudia J. Putnam - Approve the signed Consent Order (Appendix V).

REPORT OF THE PROFESSIONAL EDUCATION AND APPLICATIONS COMMITTEE: Ms. Lynch moved and the Board approved the following recommendations of the Committee:

Transfer of Grades Applications - The following were approved:

Ermal Bregu

Junwei Xia

Adesubomi Opeyemi Soluade

Original Certificate Applications - The following were approved:

Hayley Brooke Arning

Andrew Gray Essic

Bereket Ezra Baissa

Brittany Mauldin Freeman

Rebecca Anne Black

Ashley McGrady Fromm

Chelsea Ora Nicole Block

Kevin Robert Greats

Ermal Bregu

Megan Johnson Green

James Adam Brown

William Andrew Haddock

Steven Charles Chapman

Amy Elizabeth Johnson

Andrew Bryan Colvin

Amy Thomas Johnson

Amelia Gardner Dean

Matthew Alan Johnson

Stephen Charles Jones
Alan Graham Kelly
Julila Ann Leik
Jeffrey Clyde Marko
Griffin Alan Mazur
Brynn Elizabeth McMullan
Brittany Nicole Meeks
James Edward New
Adrienne Michelle Phillips
Kimberly Loraine Pittard
Kathryn Marie Pletcher

Phillip Duckworth Ray III
David Charles Robertson
Cameron Denice Shore
Adesubomi Opeyemi Soluade
Samuel Nathan Staton
Garrett Ryan Summers
Zachary Scot Weston
Maggie Danielle Whitman
Chantel Jones Wilson
Junwei Xia

Staff reviewed and recommended approval of the original application submitted by Svetlana Zamoshnikova Barrett. Ms. Barrett failed to disclose pertinent information with her exam application but provided it with her certificate application. Staff recommended approval of the application with a one-year probationary period. The Committee approved staff recommendation.

Reciprocal Certificate Applications - The following were approved:

Kirkland Caldwell Allen
Jeff Lyman Birdsong
Allison Adrienne Cole
Patrick James Dunn
Annie Ellis Jennings
Deborah Cutler Lands
Lisa VanLeeuwen London
Harold John Manasa
Timothy John Matthews

Jason Daniel Norvell
Kimberly Ann Olsen
Christie Michelle Owens
Billie Jo Rice
Christopher John Sellitti
Terry Kay Shaw
Victoria Maria Sumbs
Donn Robert Swift
Robert Todd Weeks

Temporary Permits - The following temporary permits were approved by the Executive Director and ratified by the Board:

Andrea Veneziano Trembath T7431
Drew Patrick Bryan T7432
Cristina Arrieta Wolfe T7433
Megan Anne DeHority T7434
Howard Wakefield Pettengill III T7435
Claire Elizabeth Cousins T7436
Muhammad Affan Akram T7437
Shawn Eugene Churchill T7438
Melanie Allen Connellee T7439
Brian Stephen Demeter T7440

Aleksandra Marie Azar T7441
Louis George Spitzer T7442
Patrick Ryan McKenney T7443
William Michael McCullough III T7444
Kimberly Renee Young T7445
Kay Diane Comstock T7446
Jeffrey Alan Call T7447
John Joseph Tronolone T7448
Susan Alice Rickert T7449
Taborah Montia Miley T7450

Lori Ann Sexton T7451
Stanley Wayne Mandel T7481
Holly Berry Norvell T7482
Mark Joseph Todd T7483
Heath Bradford Gorby T7484
John Edgar Peterson III T7485
Michael Edward Ramos T7486

Andrea Laimun Chong T7487
Magdalyn Young Bell T7488
Olakunle Oluwafemi Ola T7489
Sara Nicole Kollien T7490
James Nicholas Wade T7491
Timothy Francis Wade T7492

Reinstatements - The following were approved:

Burton Heyward Calvert Jr. #13829

Jamie Lovelace Wiley #16670

Firm Registrations - The following professional corporation and professional limited liability company were approved by the Executive Director and ratified by the Board:

Charles S. Riggsbee, Jr., CPA, PLLC

Stephanie K. Phillips, CPA, P.A.

Retired Status Applications - The Committee approved the request for retired status submitted by Frances Phillips Walton (#14708) because she is completely retired and does not receive any earned compensation for current personal services in any job whatsoever.

Letters of Warning - Staff received renewals which list 2012 CPE taken between January 1 and June 30, 2013, without an approved extension. Staff recommended a Letter of Warning for a first offense pursuant to 21 NCAC 08G .0406(b)(1). The Committee approved staff recommendation:

Ezra Vernon Moss Jr. 2417
Brenda Jones Fox 3122
Billy Charles Gore 5152
Roy Lee Avent 6798
David Bruce Post 7508
Teresa Galloway Rhodes 8633
William H. Jones III 9409
Janice Lou Thompson Burke 11536
Alexander Huntley Mackintosh 11848
Thomas James Cox 12102
Bobby Joe Massey 12534
Timothy Luke Rogers 12897
Charles Lester Moore 12990
Timothy Francis Liston 13293
Richard Eugene Marsh Jr. 13513
Lou Ann Guy Vincent 14400

Larry Herman Rocamora 14523
Elizabeth Hunt Alford 15030
Donald Overby 15106
James Williamson Squires IV 15130
William Marion Wilcox IV 15323
Otis Strickland Sawyer 15371
Mitchell Chandler Kane 15755
James Hoyt Evans 15919
Theresa Gebhardt 16027
B. Ellen Sewell 16393
Kenneth Earl Wright 16570
Glenn Mansfield Fisher 16633
Mitchell Harrison Paul 16651
Deborah Milder Sackie 16655
Beverly Berger Schain 16741
Pamela Jean Jones Wortham 16876

Laura Gaebe Kennerly 17035
Jon Vincent 17136
Martin Michael Brennan Jr. 17207
John Stanley Forlines 17326
Rhonda Nantz 18063
Donald Richard Oliver Jr. 18239
Lynne Gilchrist Place 19324
Julie Marie Windeknecht 19453
Steven W. Hippe 19602
Carolyn B. Allen 19796
Carlos Manuel Gomez 20195
Adrian Lee Jarrell 20557
David Glenn Webb 21097
John Robert Dimier Jr. 21396
Betsy Crouse Anderson 21547
Jay C. Gilmore 21899
Kathryn Ann Sommese 21993
Russell Lee Early 22042
Melvin Maurice Hodges 22052
Steven Ray Stanford 22333
C. Leon Murphy 22362
Cynthia Leigh Daniel 22435
Kurt Gehsmann 22908
Kirsten Astrid Anderberg 23397
Sheldon R. Flamm 23425
Cassandra Antoinette Tembo 23644
Kristen Moore Goodlaxson 23677
Gregory Alan Hart 24066
Jeffrey Ray Watkins 24216
Michael Maffett Hayes 24743
Bradley David White 25018
Bradley David White 25018
Julie Tauras 25043
Michael Gary Lapeirre 25052
Archana Sekhri Anand 25088
Brandon Noel Harris 25495
Christine Marie Moyer 25593
Mark Jeffrey Rosen 25659
Jesse Trent Messick 25706
Brian Edward Jesinkey 25758
Shelly G. Vorpahl 26116
Parnian H. Byrd 26206
Sally Ann McCraw 26472

Betty R. Gillespie 27350
Amy Ruth Moore 27387
Stacy Ann Holland 27656
Tracy M. Valentine 27659
Kenneth E. Buchanan 27768
Althea Jane Parks Aycock 28073
Nancy B. Croy 28523
Beverly A. Kelly 28568
Weiwen Wang 28615
Paul R. Spanbauer 28814
Jack Eugene Robinson II 29028
Karen Clark Lane 29057
Marsha Moore Lederer 29287
Raechal Peyton Chaney 29514
Kim M. Ward 29681
Wendy Gay Nowlin 29719
Hope Shammara Piggee 29925
Susan Marlowe Melvin 30234
Michael Joseph Jauquet 30302
Tara Norris Hughes 30511
Kristy Lynn Partin 31070
Kathryn Stone Comerford 31545
Andrew Patrick Burns 31576
Jonathan Michael Fabian 31582
Michael Jonas Gilreath 31583
Jeffrey Glenn Richek 31975
Martin Christopher Haley Jr. 32026
William R. Pierce 32181
Joanne M. Dionne 32218
Joshua Scott Mayor 32328
Shawna Lynette Blomkvist 32439
Joan Hodges Machanic 32698
Alisa Caroline Rials 32735
Nathan Joel Diering 32753
Max Parker McCradden 32813
Ivan A. Lujan 32822
Ray Alton Morrison 33030
Colleen Lauren Joyce 33278
Teresa J. Gault 33459
Katherine Leigh Hoskins 33471
Cary Reams Luhn 33483
David Charles Schmidt 33573
Scott D. Davis 33590

Amy Suzanne Diebler 33788
Matthew T. Illuzzi 33868
Kristina Picornell Cabrejas 33911
Donika Lee Muckler 33946
Carrie Elizabeth Russell 33986
David Keith Schrenker 34301
Jennifer Claire Higgins 34400
Vicie Lynette Moran 34637
Catherine A. Davenport 34710
David Alan Griffin Jr. 34778
Sean Griffith McCallen 34798
Sean Patrick Murphy 34920
Roger Franklin Scott 35111
Meridith Carson Peele 35151
Jared Prescott Edens 35153
Seth Stuart Beauchamp 35233
Brandon Lee Cross 35317
Michael Sutherland Allen 35417
Tejbir Singh Dhillon 35425
Courtney Hammock Murphy 35611
Seungwon Andrew Hong 35719
Andrew Vaughn Evans 35765
Kevin Louis Kriener 35800
Stephanie Park Wilson 35982
Jun Hyon Yang 36113
Daisy Wang Colmer 36138
Charles McCoy 36140
Brian Michael Graybeal 36171
Jean E. McAllister 36172

Courtney Marie Bateman 36192
Candace Fay Chapman 36219
Kathryn Beeson Hamm 36344
James Ford Eubanks 36440
Virginia Ann Wood 36530
Joseph Benjamin Nash 36532
Rick Allen Burger 36603
Hua Yang 36604
Suzanne Consorte Bailey 36607
Jennifer Marie Craig 36695
Biplab Khatri 36707
Debbie Elizabeth Blackman 36714
Misko Filiposki 36744
Jake Carl Rau 36745
Casey Shepherd Neal 36764
Parag Bakul Bhutta 36781
Matthew Gates Thompson 36786
Susanna Buechi Turner 36818
Joseph Charles Schaff 36840
Robyn Michelle Jones 36878
Tamara Lynn Langton 36884
Tres Newman Cobb 36892
Daniel Stephen Peach 36900
Carolyn Ashley Alford 36929
Daniel Andrew Aiken Keppler 36942
Reginald Hinton 36970
Steven Douglas Laco 37012
Di Chen 37048
Karina Falcon 37085

Staff received renewals which list 2012 CPE taken between January 1 and June 30, 2013, without an approved extension for the second time. Staff recommended referral to the Professional Standards Committee pursuant to 21 NCAC 08G .0406(b)(1). The Committee approved staff recommendation:

Karen Alisa Frazier 27956
James Daniel McClelland Jr. 34182
Daniel Tyler Moore 34758

Tiffany A. Neijna 31844
Andrew Richard Strang 16332

Examinations - The Committee reviewed and approved the following staff-approved applicants to sit for the Uniform CPA Examination:

Jennifer Aguirre

Judith Aiello

Garland Avent, III
Caroline Ballance
Tonya Bass
Bruce Baughman, II
Amanda Beaman
Daniel Beck
Tyler Betts
William Black
Brittany Blackwell
Andrew Bohme
Christina Brackins
Austin Bramble
Ebonyee Brincefield
Kathryn Broome
Hannah Brown
Michael Burton
Holly Buzgo
Ryan Chapman
Ray Chen
Sunshine Chen
Bryan Ching
Pamela Clitherow
Dion Coleman
Bryan Collins
Laura Collonia
Nicola Cook
Forest Corwin
Christopher Cox
Ha Dao
Samantha Davis
Megan DeMoss
Vivian Denoyer
Frank Driscoll
Rosquan Duncan
Carly Dunn
Elena Dusenbury
Sarah Eljabaly
Tracy Ellis
Vijay Farmah
Natasha Foster
Erica Fulcher
Samuel Fulp
Alexis Gainey

Matthew Gardner
Meagan Garrison
Chalice Golden
Kenneth Golpl
Bradley Goodwin
Robert Gragg
Jamal Graham
Eugene Gray, III
Shaun Greene
Tayler Harvey
Bartley Heath
Jessica Heflin-Knop
Matthew Hess
Lucinda Hill
Teresa Hinson
Kristen Hogan
Li Huang
Daniel Hudson
Peter Irvin
Akiko Iwamoto
Reid Jackson
Timothy Jeter
Lori Johnson
Audrey Jones
Lidiya Kazantsev
Nicole Kehl
Adam King
Kimberly Kirkman
Jonathan Kittel
Kelly Knight
Heather Koob
Adam Kovalevsky
Rachel Kraus
Roy Lambert
Bart Landen
Timothy Lavender
Xueying Li
Andrew Linn
Molly Little
Michael Loman
Stuart Long
Michael Luistro
Ranu Manik

Robby Manning
Marguerite Marks
Timothy Mausolf
Marcus McAllister
Ryan McCarthy
Melonie McCurry
Addis Melesse
Alexander Miller
Melinda Miller
Sara Miller
William Montgomery
Lisa Morrow
Sasha Myers
Jarrett Nagel
Marina Nesic
Sarah Nguyen
Gwendoline O'Brien
Brian O'Dell
Stephen Parker
Rebecca Parks
Tara Parks
Melissa Parry
Ljubica Pilipovic
Raymond Pinkston
Erin Priddy
Jason Priest
Lacie Priest
Aaran Quincey
Brian Rajakovich
Leata Riggs
Melinda Rose
Tracy Rumfelt

Elizabeth Saylor
Thomas Scheer
Brian Schutz
Sharon Sharpe
Dhruvit Sheth
Elton Shoemaker
Gregory Sickles
Jake Sigler
Joseph Simmons
Christopher Singletary
Riley Smith
Melissa Stephenson
Brian Sternecker
Miranda Stiffler
Michael Stoltz
Nicole Taylor
Martrice Terry
Bradley Thacker
Christopher Thompson
Deana Thorps
Zachary Thurmes
Heather Turlington
Taresa Turner
Rebecca Urquhart
Alexandra Valier
Colin Wach
Christina Wareham
Kristen Weber
Jonathan Wood
Joseph Wood
Jacquelyn Yellin-Mungo
Yue Yin

PUBLIC HEARING: President Rodriguez called the Public Hearing to order to hear Case No. C2011140 – James R. Hovis, Jr., Certificate No. 17242. Mr. Hovis was present and was represented by Hardy Lewis, Esq. Mr. Hovis was sworn in and presented testimony. Messrs. Glover and Baldwin moved to enter Closed Session without Executive Staff or Staff Attorney present to discuss the case with Noel L. Allen, Esq. The Board re-entered the Hearing whereupon Mr. Hovis agreed to the terms of a Consent Order to be executed and the Public Hearing was recessed. The entire Public Hearing is a matter of public record.

ADJOURNMENT: Mesdames Allen and Lynch moved to adjourn the meeting at 12:07 p.m. Motion passed.

Respectfully submitted:

Attested to by:

Robert N. Brooks
Executive Director

Jose R. Rodriguez, CPA
President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: 200602-020

IN THE MATTER OF:
R. Michael Gray, #22808
Respondent

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N.C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following FINDINGS OF FACT:

1. R. Michael Gray ("Respondent") is the holder of North Carolina certificate number 22808 as a Certified Public Accountant.
2. Respondent, prior to 1999, was a Senior Manager for KPMG, LLP ("KPMG"). In 1999, he became a partner in KPMG's Personal Financial Planning ("PFP") practice in its Raleigh office.
3. For the time period from about 1996 through 2002, KPMG developed, implemented, and marketed certain tax shelters including KPMG's Foreign Leveraged Investment Program ("FLIP"), Bond Linked Issue Premium Structure ("BLIPS"), Offshore Portfolio Investment Strategy ("OPIS"), and Short Option Strategy ("SOS"), as well as other variants on those programs (hereinafter the "Tax Shelters").
4. KPMG marketed its Tax Shelters to residents in the State of North Carolina and implemented some of those Tax Shelters on behalf of its North Carolina clients.
5. On or about August 26, 2005, KPMG entered into a Deferred Prosecution Agreement ("DPA") with the United States Department of Justice regarding the Tax Shelters.
6. On February 20, 2012, KPMG entered into a Consent Agreement with the Board regarding the firm's involvement with the Tax Shelters.
7. While employed at KPMG's Raleigh office, Respondent was involved in the sale and implementation of a number of Tax Shelters.
8. In his role as Partner in the PFP practice, Respondent supervised the preparation and signing of tax returns, by KPMG's senior managers, for clients who took advantage of the favorable tax consequences afforded by the Tax Shelters.

9. In September 2000, the IRS issued Notice 2000-44 which identified the strategies, like the BLIPS strategy, as tax shelters and announced that the purported tax benefits described by KPMG will be disallowed or challenged.
10. Following the issuance of Notice 2000-44, KPMG personnel from the Washington National Tax office provided the Respondent with Opinion Letters purporting to address that Notice. On or about November 9, 2000, the Respondent, relying on that expert guidance, signed three (3) Opinion Letters for BLIPS clients in connection with transactions which had been recommended and carried out prior to the issuance of Notice 2000-44. The letters restated the position of KPMG that it was more likely than not that the purported tax benefits could be claimed, there having been no legal challenge to that point.
11. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

Based upon the foregoing findings, the Board makes the following CONCLUSIONS OF LAW:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 8 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Although KPMG issued the tax opinion letters that were signed by Respondent and Respondent had neither any influence on nor any involvement in the formation of those tax opinion letters beyond reviewing the accuracy of the factual representation, Respondent recognizes that his participation in the marketing and implementation of the Tax Shelters, and his execution of those tax opinion letters on behalf of KPMG contributed to the failure to provide his clients with competent tax guidance in violation of 21 NCAC 08N .0212(b).
3. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondent's consent to this order, Respondent is subject to the action set forth below.

Consent Order - 3
Gray, R. Michael

BASED on the foregoing and in lieu of further proceedings, the Board and Respondent agree to the following Order:

1. Respondent voluntarily surrenders his North Carolina CPA certificate for a period of five (5) years. As such, Respondent shall not offer or render services as a CPA or otherwise trade upon or use the CPA title in this State whether through CPA mobility provisions or substantial equivalency practice privileges or in any other manner.
2. After five years, Respondent may seek modification of the terms of this Consent Order per 21 NCAC 08I .0104 notwithstanding any language in that regulation to the contrary.

CONSENTED TO THIS THE 19 DAY OF AUGUST, 2013.

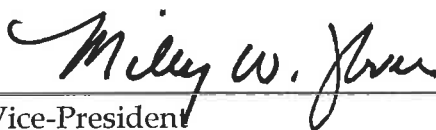


R. Michael Gray

APPROVED BY THE BOARD THIS THE 19 DAY OF AUGUST, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: 

Vice-President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2012290-1

IN THE MATTER OF:
Mark Sunter, CPA
Respondent

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N. C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following:

1. Respondent Mark Sunter, CPA (hereinafter "Respondent firm"), is a registered certified public accounting firm in North Carolina.
2. Respondent firm received a "fail" on its most recent engagement peer review, with an acceptance letter date of March 29, 2012.
3. The failed engagement peer review noted a material departure from Statements on Standards for Accounting and Review Services ("SSARS") by Respondent firm.
4. This failed peer review is the second consecutive failed peer review for Respondent firm.
5. Respondent firm failed to report its peer review results within sixty (60) days as required by 21 NCAC 08M .0106 (a)(4).
6. Respondent firm wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent firm understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

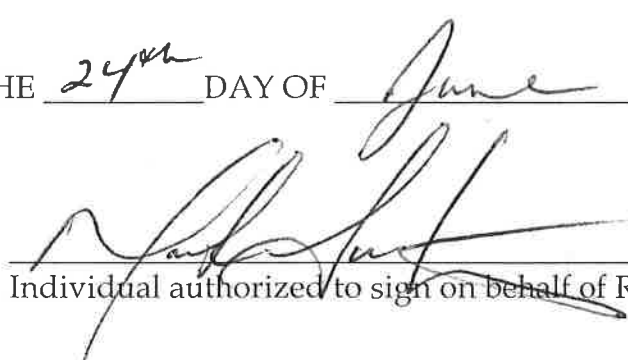


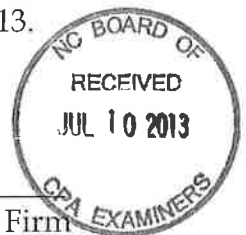
1. Respondent firm is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent firm's failure to comply with SSARS, as noted in two (2) consecutive failed peer reviews, is a violation of 21 NCAC 08N .0404 and .0212.
3. Respondent firm's failure to timely report the failed peer review as required by 21 NCAC 08M .0106 (a)(4) is a violation of 21 NCAC 08N .0213.
4. By virtue of Respondent firm's consent to this order, Respondent firm is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and Respondent firm agree to the following Order:

1. Respondent firm is censured.
2. Respondent firm shall pay a one thousand dollar (\$1,000.00) civil penalty to be remitted with this signed Consent Order.
3. Respondent firm's professional staff participating in engagements subject to peer review shall take at least sixteen (16) hours of group study Accounting and Auditing CPE coursework as part of their annual CPE requirement until such time as Respondent firm receives a pass on a system peer review, or a pass or pass with deficiencies on an engagement peer review.
4. Respondent firm shall provide the Board with copies of the Peer Review Report, Letter of Response, and Final Letter of Acceptance for Respondent firm's next peer review.

CONSENTED TO THIS THE 24th DAY OF June, 2013.


Individual authorized to sign on behalf of Respondent Firm



Consent Order - 3
Mark Sunter, CPA

APPROVED BY THE BOARD THIS THE 19 DAY OF August,
2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: _____

President



NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2013090

IN THE MATTER OF:

Arthur Franklin Beamer, #8569
Respondent

ORDER

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Arthur Franklin Beamer (hereinafter "Mr. Beamer") is the holder of a certificate as a Certified Public Accountant in North Carolina.
2. Mr. Beamer failed to timely file the annual firm registration for A. F. Beamer, CPA, in accordance with provisions as required by N. C. Gen. Stat. § 93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.
3. Mr. Beamer subsequently renewed his firm registration, which was received by the Board on February 11, 2013, less than sixty (60) days from the annual firm registration date.
4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Beamer's infraction was for a period of less than 60 days, the appropriate penalty is \$100.00.
5. Mr. Beamer has paid his civil penalty and consents to the entry of this Order and has waived any right to a hearing.
6. The Board members present, representing a quorum of the Board, have unanimously decided to accept Mr. Beamer's payment as full resolution of the aforementioned rules violation.

This the 19 day of August, 2013.



NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BY: _____

President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2013091

IN THE MATTER OF:
Nancy Powell Bourne, #21558
Respondent

ORDER

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Nancy Powell Bourne (hereinafter "Ms. Bourne") is the holder of a certificate as a Certified Public Accountant in North Carolina.
2. Ms. Bourne failed to timely file the annual firm registration for Nancy P. Bourne, CPA, in accordance with provisions as required by N. C. Gen. Stat. § 93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.
3. Ms. Bourne subsequently renewed her firm registration, which was received by the Board on February 8, 2013, less than sixty (60) days from the annual firm registration date.
4. Pursuant to 21 NCAC 08J .0111(1), because Ms. Bourne's infraction was for a period of less than 60 days, the appropriate penalty is \$100.00.
5. Ms. Bourne has paid her civil penalty and consents to the entry of this Order and has waived any right to a hearing.
6. The Board members present, representing a quorum of the Board, have unanimously decided to accept Ms. Bourne's payment as full resolution of the aforementioned rules violation.

This the 19 day of August, 2013.



NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BY: _____

President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2013092

IN THE MATTER OF:
Lois Kathrine Green, #33603
Respondent

ORDER

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Lois Kathrine Green (hereinafter "Ms. Green") is the holder of a certificate as a Certified Public Accountant in North Carolina.
2. Ms. Green failed to timely file the annual firm registration for Lois Kathrine Green, CPA, in accordance with provisions as required by N. C. Gen. Stat. § 93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.
3. Ms. Green subsequently renewed her firm registration, which was received by the Board on February 22, 2013, less than sixty (60) days from the annual firm registration date.
4. Pursuant to 21 NCAC 08J .0111(1), because Ms. Green's infraction was for a period of less than 60 days, the appropriate penalty is \$100.00.
5. Ms. Green has paid her civil penalty and consents to the entry of this Order and has waived any right to a hearing.
6. The Board members present, representing a quorum of the Board, have unanimously decided to accept Ms. Green's payment as full resolution of the aforementioned rules violation.

This the 19 day of August, 2013.



NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BY: _____

President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2013093

IN THE MATTER OF:

Albert Jack Jacobson, #934
Respondent

ORDER

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Albert Jack Jacobson (hereinafter "Mr. Jacobson") is the holder of a certificate as a Certified Public Accountant in North Carolina.
2. Mr. Jacobson failed to timely file the annual firm registration for Albert J. Jacobson, CPA, in accordance with provisions as required by N. C. Gen. Stat. § 93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.
3. Mr. Jacobson subsequently renewed his firm registration, which was received by the Board on February 11, 2013, less than sixty (60) days from the annual firm registration date.
4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Jacobson's infraction was for a period of less than 60 days, the appropriate penalty is \$100.00.
5. Mr. Jacobson has paid his civil penalty and consents to the entry of this Order and has waived any right to a hearing.
6. The Board members present, representing a quorum of the Board, have unanimously decided to accept Mr. Jacobson's payment as full resolution of the aforementioned rules violation.

This the 19 day of August, 2013.



NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BY: _____

President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2013094

IN THE MATTER OF:
Ellen M. McMillan, #18875
Respondent

ORDER

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Ellen M. McMillan (hereinafter "Ms. McMillan") is the holder of a certificate as a Certified Public Accountant in North Carolina.
2. Ms. McMillan failed to timely file the annual firm registration for Ellen M. McMillan, CPA, in accordance with provisions as required by N. C. Gen. Stat. § 93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.
3. Ms. McMillan subsequently renewed her firm registration, which was received by the Board on February 26, 2013, less than sixty (60) days from the annual firm registration date.
4. Pursuant to 21 NCAC 08J .0111(1), because Ms. McMillan's infraction was for a period of less than 60 days, the appropriate penalty is \$100.00.
5. Ms. McMillan has paid her civil penalty and consents to the entry of this Order and has waived any right to a hearing.
6. The Board members present, representing a quorum of the Board, have unanimously decided to accept Ms. McMillan's payment as full resolution of the aforementioned rules violation.

This the 19 day of August, 2013.



NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BY: _____

President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2013095

IN THE MATTER OF:
Earl Wayne Morrow
Respondent

ORDER

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Earl Wayne Morrow (hereinafter "Mr. Morrow") is duly licensed as a CPA in the state of Georgia. Mr. Morrow, as a licensee of another state, has a practice privilege to practice in this state so long as he consents to the Board's jurisdiction and complies with North Carolina accountancy laws and rules.
2. Mr. Morrow failed to timely file the annual firm registration for Earl W. Morrow C.P.A., P.A., in accordance with provisions as required by N. C. Gen. Stat. § 93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.
3. Mr. Morrow subsequently renewed his firm registration, which was received by the Board on February 7, 2013, less than sixty (60) days from the annual firm registration date.
4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Morrow's infraction was for a period of less than 60 days, the appropriate penalty is \$100.00.
5. Mr. Morrow has paid his civil penalty and consents to the entry of this Order and has waived any right to a hearing.
6. The Board members present, representing a quorum of the Board, have unanimously decided to accept Mr. Morrow's payment as full resolution of the aforementioned rules violation.

This the 19 day of August, 2013.



NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BY: _____
President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2013096

IN THE MATTER OF:

Courtney Hammock Murphy, #35611
Respondent

ORDER

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Courtney Hammock Murphy (hereinafter "Ms. Murphy") is the holder of a certificate as a Certified Public Accountant in North Carolina.
2. Ms. Murphy failed to timely renew or cancel the annual firm registration for Courtney Murphy, CPA PLLC, in accordance with provisions as required by N. C. Gen. Stat. § 93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.
3. On March 18, 2013, Ms. Murphy informed the Board that she does not desire to renew the firm registration for Courtney Murphy, CPA PLLC for the coming year.
4. Pursuant to 21 NCAC 08J .0111(1), because Ms. Murphy's infraction was for a period of less than 60 days, the appropriate penalty is \$100.00.
5. Ms. Murphy has paid her civil penalty and consents to the entry of this Order and has waived any right to a hearing.
6. The Board members present, representing a quorum of the Board, have unanimously decided to accept Ms. Murphy's payment as full resolution of the aforementioned rules violation.

This the 19 day of August, 2013.



NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BY: _____

President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2013098

IN THE MATTER OF:

Matthew Edward Reeder, #35983
Respondent

ORDER

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Matthew Edward Reeder (hereinafter "Mr. Reeder") is the holder of a certificate as a Certified Public Accountant in North Carolina.
2. Mr. Reeder failed to timely file the annual firm registration for Matthew Reeder, CPA, in accordance with provisions as required by N. C. Gen. Stat. § 93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.
3. Mr. Reeder subsequently renewed his firm registration, which was received by the Board on February 13, 2013, less than sixty (60) days from the annual firm registration date.
4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Reeder's infraction was for a period of less than 60 days, the appropriate penalty is \$100.00.
5. Mr. Reeder has paid his civil penalty and consents to the entry of this Order and has waived any right to a hearing.
6. The Board members present, representing a quorum of the Board, have unanimously decided to accept Mr. Reeder's payment as full resolution of the aforementioned rules violation.

This the 19 day of August, 2013.



NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BY: _____

President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2013099

IN THE MATTER OF:
Teresa June Todd, #15906
Respondent

ORDER

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Teresa June Todd (hereinafter "Ms. Todd") is the holder of a certificate as a Certified Public Accountant in North Carolina.
2. Ms. Todd failed to timely file the annual firm registration for Teresa J. Todd, CPA, in accordance with provisions as required by N. C. Gen. Stat. § 93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.
3. Ms. Todd subsequently renewed her firm registration, which was received by the Board on February 19, 2013, less than sixty (60) days from the annual firm registration date.
4. Pursuant to 21 NCAC 08J .0111(1), because Ms. Todd's infraction was for a period of less than 60 days, the appropriate penalty is \$100.00.
5. Ms. Todd has paid her civil penalty and consents to the entry of this Order and has waived any right to a hearing.
6. The Board members present, representing a quorum of the Board, have unanimously decided to accept Ms. Todd's payment as full resolution of the aforementioned rules violation.

This the 19 day of August, 2013.



NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BY: _____

President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2013066

IN THE MATTER OF:
Cary Greenberg, #33949
Respondent

CONSENT ORDER

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N.C. Gen. Stat. § 150B-41, the Board and Respondent stipulate the following Findings:

1. Respondent is the holder of North Carolina certificate number 33949 as a Certified Public Accountant.
2. Respondent informed the Board on his 2012-2013 individual certificate Renewal ("Renewal") that between January 1, 2011, and June 30, 2012, he had obtained forty (40) hours of continuing professional education ("CPE"), had completed the annual approved ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet the 2011 CPE requirements.
3. Based on Respondent's representation, the Board accepted his Renewal.
4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet his 2011 and 2012 requirements.
5. Respondent was able to provide documentation of only thirty (30) hours of CPE taken between January 1, 2011, and June 30, 2012, leaving Respondent ten (10) hours short of the 2011 CPE claimed on his 2012-2013 Renewal.
6. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board meeting.



BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code including the Rules of Professional Ethics and Conduct promulgated and adopted herein by the Board.
2. Respondent's actions as set out above constitute violations of 21 NCAC 08N .0202(a), .0202(b)(3), and .0202(b)(4).
3. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondent's consent to this Order, Respondent is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and Respondent agree to the following Order:

1. Respondent's failure to provide adequate documentation of CPE renders the Renewal insufficient and untimely. Respondent's failure to adequately renew his certificate results in an automatic forfeiture pursuant to N.C. Gen. Stat. § 93 12(15).
2. Respondent must return his certificate to the Board within fifteen (15) days of Respondent's receipt of the Board's notification of its approval of this Consent Order.
3. Respondent may not apply for the reissuance of his certificate for at least one (1) year from the date the Board approves this Consent Order and until the civil penalty required in number five (5) of this Order has been paid by Respondent.
4. Respondent may apply to return his certificate to active status by submission and approval of a reissuance application which includes:
 - a. Application form,
 - b. Payment of the application fee,
 - c. Three (3) moral character affidavits, and
 - d. Fifty (50) hours of CPE in the twelve (12) months preceding the application including the eight (8) hour accountancy law course as offered by the North Carolina Association of CPAs in a group-study format.

Consent Order - 3
Cary Greenberg



5. Respondent shall pay a one thousand dollar (\$1,000.00) civil penalty to be remitted to the Board prior to submitting a reissuance application.
6. Respondent agrees that failure to timely comply with any terms of this agreement and Consent Order shall be deemed sufficient grounds for revocation of his certificate.

CONSENTED TO THIS THE 30 DAY OF JULY, 2013.

Cary Greenberg
Respondent

APPROVED BY THE BOARD THIS THE 19 DAY OF AUGUST, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: [Signature]
President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2013065

IN THE MATTER OF:
Claudia Jones Putnam, #15768
Respondent

CONSENT ORDER

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N.C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following Findings:

1. Respondent is the holder of North Carolina certificate number 15768 as a Certified Public Accountant.
2. Respondent informed the Board on her 2012-2013 individual certificate Renewal ("Renewal") that between January 1, 2011, and June 30, 2012, she had obtained forty (40) hours of continuing professional education ("CPE"), had completed the annual approved ethics CPE course, and had completed at least two (2) hours of ethics to meet the 2011 CPE requirements.
3. Based on Respondent's representation, the Board accepted her Renewal.
4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet her 2011 and 2012 requirements.
5. Respondent provided the CPE certificates of completion to the Board as requested. However, Respondent failed to provide a certificate of completion needed to document completion of one-half (0.5) hours of an annual CPE course that Respondent claimed she earned between January 1, 2011, and June 30, 2012, as was reported on her Renewal. Respondent failed to provide documentation of a 2011 ethics course which would satisfy the 2011 annual ethics CPE requirement as claimed on her renewal.
6. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to



review and approval by the Board and is not effective until approved by the Board at a duly constituted Board meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted herein by the Board.
2. Respondent's actions as set out above constitute violations of 21 NCAC 08N .0202(a), .0202(b)(3), and .0202(b)(4).
3. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondent's consent to this Order, Respondent is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and Respondent agree to the following Consent Order:

1. Respondent's failure to provide adequate documentation of CPE renders the Renewal insufficient and untimely. Respondent's failure to adequately renew her certificate results in an automatic forfeiture pursuant to N.C. Gen. Stat. § 93-12(15).
2. Respondent must return her certificate to the Board within fifteen (15) days of Respondent's receipt of the Board's notification of its approval of this Consent Order.
3. Respondent may apply for the reissuance of her certificate after one (1) year from the date the Board approves this Consent Order and if Respondent's certificate and the civil penalty required in number five (5) of this Order have been timely received by the Board.
4. Respondent may apply to return her certificate to active status by submission and approval of a reissuance application which includes:
 - a. Application form,
 - b. Payment of the application fee,
 - c. Three (3) moral character affidavits, and
 - d. Forty and one-half (40.5) hours of CPE in the twelve (12) months preceding the application including an eight (8) hour accountancy law



course as offered by the North Carolina Association of CPAs in a group-study format.

5. Respondent shall pay a one thousand dollar (\$1,000.00) civil penalty to be remitted to the Board prior to submitting a reissuance application.
6. Respondent agrees that failure to timely comply with any terms of this agreement and Consent Order shall be deemed sufficient grounds for revocation of her certificate.

CONSENTED TO THIS THE 9th DAY OF August, 2013

Claudia Jones Putnam
Respondent

APPROVED BY THE BOARD THIS THE 19 DAY OF August, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: [Signature]
President



Financial Highlights
For the Four Month Period Ended August 31, 2013
Compared to the Four Month Period Ended August 31, 2012

	Budget Var.	Jul-13	Jul-12	Inc. (Dec.)
Total Revenue	\$15,475.58	\$ 1,809,272.28	\$ 1,851,133.95	\$ (41,861.67)
■ Total Operating Revenue	\$16,292.70	\$ 1,785,193.55	\$ 1,824,230.72	\$ (39,037.17)
❖ Total Net Non Operating Revenue	-\$817.12	\$ 24,078.73	\$ 26,903.23	\$ (2,824.50)
○ Total Expenses	-\$58,750.05	\$ 1,165,486.27	\$ 1,152,936.60	\$ 12,549.67
Increase(Dec.) Net Assets for Period		\$ 643,786.01	\$ 698,197.35	\$ (54,411.34)
Total Checking and Savings		\$ 1,150,490.60	\$ 664,876.77	\$ 485,613.83
Total Assets		\$ 3,673,294.81	\$ 3,575,674.99	\$ 97,619.82
Full-Time/Part-time Employees		13/1	13/1	0/0

Revenues were \$15,500 over budget primarily due to Renewal fees (\$14,400). Initial exam fee revenue is down (\$13,100) but re-exam revenue is up (\$4,600).

Actual expenses were \$58,750 under budget, primarily due to fringe benefit costs (\$21,100), reduced legal/litigation costs (\$14,100), and unexpended scholarships (\$8,000).

- Total operating revenue decreased this period compared to prior by \$39,000 primarily due to a decrease in exam fee revenue (\$67,500) but offset by an increase in certificate fee revenue \$26,000.
- ❖ Total net non operating revenue decreased this period compared to prior by \$2,800 primarily due to reduced interest income.
- Total expenses increased this period compared to prior by \$12,500 primarily due to increased salary costs

09/05/13

NC Board of CPA Examiners
Statement of Net Position
 As of August 31, 2013

	<u>Aug 31, 13</u>	<u>Aug 31, 12</u>
ASSETS		
Current Assets		
Checking/Savings		
1074 · Trust Atlantic Bank - MMA	486,563.24	156,515.29
1023 · BB&T Disciplinary Clearing Acct	5,200.00	1,500.00
1020 · BB&T Checking Acct	244,658.87	392,914.76
1021 · BB&T Savings Account	413,968.49	113,846.72
1030 · BB&T Payroll Acct	100.00	100.00
Total Checking/Savings	1,150,490.60	664,876.77
Other Current Assets		
1110 · Accrued CD Interest	7,894.64	8,111.21
1050 · CD Investments - Current	672,067.79	349,454.81
1165 · Deferred Lease Commissions	3,090.84	4,945.44
1125 · Accts Rec Civil Penalties	3,000.00	5,000.00
1120 · Accounts Receivable	0.00	981.71
Total Other Current Assets	686,053.27	368,493.17
Total Current Assets	1,836,543.87	1,033,369.94
Fixed Assets		
1330 · Land Improvement	9,240.90	9,240.90
1300 · Building	917,143.10	917,143.10
1305 · Land	300,000.00	300,000.00
1306 · Vehicle	26,622.40	26,622.40
1310 · Furniture	113,918.90	113,918.90
1320 · Equipment	185,001.31	203,481.37
1325 · Data Base Software	180,336.18	180,336.18
1390 · Accumulated Depreciation	-735,245.66	-709,633.91
Total Fixed Assets	997,017.13	1,041,108.94
Other Assets		
1250 · CD Investments Non-Current	839,733.81	1,501,196.11
Total Other Assets	839,733.81	1,501,196.11
TOTAL ASSETS	<u>3,673,294.81</u>	<u>3,575,674.99</u>
LIABILITIES & NET ASSETS		
Liabilities		
Current Liabilities		
Other Current Liabilities		
2040 · Accounts Payable Civil Penalty	2,700.00	5,413.20
2005 · Due to Exam Vendors	617,611.25	513,253.71
2015 · Accrued Vacation Current	25,435.87	0.00
Total Other Current Liabilities	645,747.12	518,666.91
Total Current Liabilities	645,747.12	518,666.91

09/05/13

NC Board of CPA Examiners
Statement of Net Position
 As of August 31, 2013

	<u>Aug 31, 13</u>	<u>Aug 31, 12</u>
Long Term Liabilities		
2020 · Accrued Vacation	64,207.91	77,458.20
Total Long Term Liabilities	<u>64,207.91</u>	<u>77,458.20</u>
Total Liabilities	709,955.03	596,125.11
Net Assets		
3010 · Net Assets Invest in Cap Assets	997,017.13	1,041,108.94
3020 · Designated for Capital Assets	100,000.00	100,000.00
3031 · Designated-Operating Expenses	300,000.00	300,000.00
3040 · Designated for Litigation	750,000.00	750,000.00
3900 · Net Assets Undesignated	172,536.64	90,243.59
Change in Net Assets	<u>643,786.01</u>	<u>698,197.35</u>
Total Net Assets	<u>2,963,339.78</u>	<u>2,979,549.88</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>3,673,294.81</u></u>	<u><u>3,575,674.99</u></u>

09/04/13

NC Board of CPA Examiners
Statement of Revenues & Expense - Budget v. Actual
 April 2013 through August 2013

	Apr - Aug 13	Budget	\$ Over Bu...
Ordinary Income/Expense			
Income			
Certificate Fees			
4110 · Certificates - Initial	21,500.00	22,291.65	-791.65
4120 · Certificates - Reciprocal	10,200.00	10,000.00	200.00
4121 · Certificates - Recip/Temp	0.00	0.00	0.00
4130 · Certificates - Temporary	0.00	0.00	0.00
4131 · Certificates - Temp Renewal	0.00	0.00	0.00
4140 · Certificates - Renewal Fees	1,153,620.00	1,139,220.00	14,400.00
4150 · Certificates - Reinst/Revoked	1,200.00	0.00	1,200.00
4151 · Certificates - Reinst/Surr	3,100.00	4,750.00	-1,650.00
4152 · Certificates - Reinst/Retired	60.00	0.00	60.00
4160 · Certificates - Notification	0.00	0.00	0.00
4161 · Certificate - Notification Rnwl	0.00	0.00	0.00
Total Certificate Fees	1,189,680.00	1,176,261.65	13,418.35
Exam Fee Revenue			
4001 · Initial Adm Fees	78,890.00	92,000.00	-13,110.00
4002 · Re-Exam Adm Fees	70,050.00	65,406.25	4,643.75
4004 · Exam Fees Revenue	452,720.80	450,000.00	2,720.80
4060 · Equivalency Exam Fees	0.00	0.00	0.00
4070 · Transfer Exam Grade Credit	0.00	0.00	0.00
4071 · Exam Review Fees	700.00	0.00	700.00
4072 · Exam Scholarship Coupon	-9,532.00	-17,475.40	7,943.40
Total Exam Fee Revenue	592,828.80	589,930.85	2,897.95
Misc			
4910 · Educational Program Fees	0.00	0.00	0.00
4970 · Duplicate Certificates	575.00	0.00	575.00
4980 · Copies	0.00	0.00	0.00
4990 · Miscellaneous	354.75	625.00	-270.25
Total Misc	929.75	625.00	304.75
Partnership Fees			
4260 · Partnership Registration Fees	0.00	0.00	0.00
4261 · Partnership Renewal Fees	0.00	0.00	0.00
Total Partnership Fees	0.00	0.00	0.00
Professional Corporation Fees			
4250 · PC Registration Fees	1,650.00	2,083.35	-433.35
4251 · PC Renewal Fees	75.00	0.00	75.00
4252 · PC Renewal Fees W/Penalties	30.00	0.00	30.00
Total Professional Corporation Fees	1,755.00	2,083.35	-328.35
Total Income	1,785,193.55	1,768,900.85	16,292.70
Expense			
6900 · Bad Debit Expense	0.00	0.00	0.00
6690 · Over & Short	-2.04	0.00	-2.04

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NC Board of CPA Examiners
Statement of Revenues & Expense - Budget v. Actual
 April 2013 through August 2013

	Apr - Aug 13	Budget	\$ Over Bu...
Fringe Benefits			
5031 · Retirement - NCLB Contribution	24,667.54	22,789.60	1,877.94
5033 · Retirement - NCLB Administr	534.82	1,666.66	-1,131.84
5035 · Health Ins. Premiums	45,186.49	67,085.85	-21,899.36
5036 · Medical Reim Plan	16,262.87	16,250.00	12.87
5038 · Unemployment Claims	0.00	0.00	0.00
Total Fringe Benefits	86,651.72	107,792.11	-21,140.39
Board Travel			
5120 · Board Travel - Board Meetings	7,548.24	9,800.00	-2,251.76
5121 · Board Travel - Prof Meetings	358.54	0.00	358.54
5122 · Board Travel - NASBA Annual	1,006.54	0.00	1,006.54
5123 · Board Travel - NASBA Regional	5,010.04	10,225.00	-5,214.96
5124 · Board Travel - NASBA Committees	0.00	0.00	0.00
5125 · Board Travel - AICPA/NASBA	0.00	2,900.00	-2,900.00
5126 · Board Travel - NCACPA Annual	0.00	0.00	0.00
5127 · Board Travel - NCACPA/Board	1,688.14	0.00	1,688.14
5128 · Board Travel - AICPA Committees	0.00	0.00	0.00
5129 · Miscellaneous Board Costs	2,348.76	0.00	2,348.76
5133 · Board Travel - NASBA CPE	0.00	0.00	0.00
Total Board Travel	17,960.26	22,925.00	-4,964.74
Building Expenses			
5800 · Building Maintenance	419.82	1,500.00	-1,080.18
5801 · Electricity	3,859.89	5,000.00	-1,140.11
5802 · Grounds Maintenance	2,655.00	1,250.00	1,405.00
5803 · Heat & Air Maintenance	582.00	1,450.00	-868.00
5804 · Improvements	0.00	0.00	0.00
5805 · Insurance	0.00	0.00	0.00
5807 · Janitorial Maintenance	2,375.00	2,500.00	-125.00
5808 · Pest Control Service	0.00	200.00	-200.00
5809 · Security & Fire Alarm	2,024.03	0.00	2,024.03
5810 · Trash Collection	28.66	0.00	28.66
5811 · Water & Sewer	380.21	458.35	-78.14
Total Building Expenses	12,324.61	12,358.35	-33.74
Continuing Education -Staff			
5050 · Continuing Education - Staff	3,494.97	5,000.00	-1,505.03
5051 · Continuing Education - RNB	0.00	0.00	0.00
5052 · Continuing Education - Computer	0.00	0.00	0.00
Total Continuing Education -Staff	3,494.97	5,000.00	-1,505.03
Exam Postage			
5531 · Exam Postage	240.00	583.35	-343.35
Total Exam Postage	240.00	583.35	-343.35
Exam Printing			
5533 · Exam Printing	0.00	0.00	0.00
Total Exam Printing	0.00	0.00	0.00

NC Board of CPA Examiners
Statement of Revenues & Expense - Budget v. Actual
 April 2013 through August 2013

	Apr - Aug 13	Budget	\$ Over Bu...
Exam Sitting and Grading			
5538 · Exam Vendor Expense	422,602.50	416,666.65	5,935.85
Total Exam Sitting and Grading	422,602.50	416,666.65	5,935.85
Exam Supplies			
5532 · Exam Supplies	0.00	0.00	0.00
Total Exam Supplies	0.00	0.00	0.00
Exam Temporary Staff			
5530-10 · Temp Employees - May	0.00	0.00	0.00
5530-20 · Temp Employees - Nov	0.00	0.00	0.00
Total Exam Temporary Staff	0.00	0.00	0.00
Investigation & Hearing Costs			
5220 · Investigator Fees	0.00	0.00	0.00
5221 · Staff Investigation Costs	0.00	0.00	0.00
5222 · Investigation Materials	3,852.13	4,166.65	-314.52
5230 · Hearing Costs	1,537.85	2,083.35	-545.50
5231 · Rule-Making Hearing Costs	0.00	0.00	0.00
5232 · Legal Advertising	0.00	0.00	0.00
5250 · Administrative Cost Assessed	-100.00	-1,041.65	941.65
5260 · Civil Penalties Assessed	-12,200.00	-3,125.00	-9,075.00
5261 · Civil Penalties Remitted	3,376.98	0.00	3,376.98
Total Investigation & Hearing Costs	-3,533.04	2,083.35	-5,616.39
Legal Expense			
5140 · Legal Counsel - Administrative	8,276.66	10,000.00	-1,723.34
5141 · Legal Counsel - Spec Projects	0.00	0.00	0.00
5210 · Legal Counsel - Prof Standards	735.00	5,000.00	-4,265.00
5211 · Legal Counsel - Litigation	0.00	2,500.00	-2,500.00
Total Legal Expense	9,011.66	17,500.00	-8,488.34
Misc Personnel			
5034 · Misc. Payroll Deduction	0.00	250.00	-250.00
5037 · HSA Deduction	0.00	0.00	0.00
5090 · Flowers, Gifts, Etc.	92.16	0.00	92.16
5091 · Staff Recruiting	299.00	0.00	299.00
5092 · Misc. Personnel Costs	1,007.87	1,000.00	7.87
Total Misc Personnel	1,399.03	1,250.00	149.03
Office Expense			
5301 · Equipment Rent	444.90	900.00	-455.10
5310 · Decorations	0.00	0.00	0.00
5320 · Payroll Service	731.41	791.65	-60.24
5360 · Telephone	2,242.66	2,916.65	-673.99
5361 · Internet & Website	1,649.50	1,666.65	-17.15
5390 · Clipping Service	1,347.51	1,875.00	-527.49
5400 · Computer Prog/Assistance	0.00	1,000.00	-1,000.00
5405 · Computer Software Maintenance	23,313.96	18,750.00	4,563.96
5410 · Dues	7,185.00	8,500.00	-1,315.00
5420 · Insurance	8,590.00	15,500.00	-6,910.00
5430 · Audit Fees	0.00	7,700.00	-7,700.00
5435 · Consulting Services	0.00	416.65	-416.65

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NC Board of CPA Examiners
Statement of Revenues & Expense - Budget v. Actual
 April 2013 through August 2013

	Apr - Aug 13	Budget	\$ Over Bu...
5440 · Misc Office Expense	420.00	1,000.00	-580.00
5445 · Banking Fees	2,188.24	1,750.00	438.24
5450 · Credit Card Fees	32,193.97	18,333.35	13,860.62
Total Office Expense	80,307.15	81,099.95	-792.80
Per Diem - Board			
5110 · Per Diem - Board Meetings	4,750.00	6,000.00	-1,250.00
5111 · Per Diem - Prof Meetings	100.00	1,666.65	-1,566.65
5112 · Per Diem - NASBA Annual	0.00	0.00	0.00
5113 · Per Diem - NASBA Regional	1,100.00	2,000.00	-900.00
5114 · Per Diem - NASBA Committees	400.00	0.00	400.00
5115 · Per Diem - AICPA/NASBA	0.00	0.00	0.00
5116 · Per Diem - NCACPA Annual	0.00	0.00	0.00
5117 · Per Diem - NCACPA/Board	200.00	0.00	200.00
5118 · Per Diem - AICPA Committees	0.00	0.00	0.00
5119 · Per Diem - Miscellaneous	0.00	0.00	0.00
5130 · Clerical Reimbursement	0.00	0.00	0.00
5135 · Per Diem - NASBA CPE	0.00	0.00	0.00
Total Per Diem - Board	6,550.00	9,666.65	-3,116.65
Postage			
5345 · Postage - UPS	5,123.78	5,000.00	123.78
5340 · Postage - Other	1,273.06	6,666.65	-5,393.59
5341 · Postage - Newsletter	33,600.00	27,500.00	6,100.00
5342 · Postage - Business Reply	300.00	1,041.65	-741.65
5343 · Postage - Renewal	360.00	833.35	-473.35
5344 · Postage - Rulebook	0.00	0.00	0.00
Total Postage	40,656.84	41,041.65	-384.81
Printing			
5330 · Printing - Other	615.00	2,500.00	-1,885.00
5331 · Printing - Newsletter	20,704.98	21,666.65	-961.67
5332 · Printing - Special Projects	0.00	0.00	0.00
5333 · Printing - Renewal	0.00	0.00	0.00
5334 · Printing - Rulebook	0.00	0.00	0.00
5335 · Mailing Label Printing	0.00	0.00	0.00
Total Printing	21,319.98	24,166.65	-2,846.67
Repairs & Maintenance			
5380 · Repairs - Misc.	0.00	0.00	0.00
5381 · Maintenance - Copiers	450.10	1,041.65	-591.55
5382 · Maintenance - Computer	0.00	822.90	-822.90
5383 · Maintenance - Postage	0.00	218.75	-218.75
Total Repairs & Maintenance	450.10	2,083.30	-1,633.20
Salaries & Payroll Taxes			
5040 · State Unemployment Tax	78.28		
5010 · Staff Salaries	411,791.77	413,762.42	-1,970.65
5020 · Part-Time Staff Salaries	4,544.75	5,068.14	-523.39
5021 · Temporary Contractors	13.75	0.00	13.75
5030 · FICA Taxes	31,897.56	29,462.10	2,435.46
Total Salaries & Payroll Taxes	448,326.11	448,292.66	33.45

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NC Board of CPA Examiners
Statement of Revenues & Expense - Budget v. Actual
 April 2013 through August 2013

	Apr - Aug 13	Budget	\$ Over Bu...
Scholarships			
5535 · Scholarship	2,000.00	10,000.00	-8,000.00
Total Scholarships	2,000.00	10,000.00	-8,000.00
Staff Travel			
5060 · Staff Travel - Local	185.47	937.50	-752.03
5061 · Staff Travel - Prof Mtgs	162.75	1,479.15	-1,316.40
5062 · Staff Travel - NASBA CPE	0.00	0.00	0.00
5063 · Staff Travel - NASBA Ethics	0.00	0.00	0.00
5070 · Staff Travel - NASBA Annual	0.00	0.00	0.00
5071 · Staff Travel - NASBA Regional	5,448.86	6,135.00	-686.14
5072 · Staff Travel - NASBA Administr	9.00	0.00	9.00
5073 · Staff Travel - NASBA Committee	-153.06	0.00	-153.06
5074 · Staff Travel - AICPA	0.00	500.00	-500.00
5075 · Staff Travel - NCACPA Annual	336.00	0.00	336.00
5076 · Staff Travel - NCACPA/Board	42.00	0.00	42.00
5077 · Staff Travel - Clear Conference	0.00	0.00	0.00
5078 · Staff Travel - Vehicle	1,651.79	2,500.00	-848.21
5080 · Staff Travel - Univ Dialogue	0.00	0.00	0.00
Total Staff Travel	7,682.81	11,551.65	-3,868.84
Subscriptions/References			
5370 · Subscriptions/References	-360.60	1,666.65	-2,027.25
Total Subscriptions/References	-360.60	1,666.65	-2,027.25
Supplies			
5350 · Supplies - Office	2,115.26	2,708.35	-593.09
5351 · Supplies - Copier	1,202.00	1,500.00	-298.00
5352 · Supplies - Computer	5,086.95	4,300.00	786.95
5353 · Supplies - Special Projects	0.00	0.00	0.00
Total Supplies	8,404.21	8,508.35	-104.14
5920 · Funded Depreciation	0.00	0.00	0.00
6999 · Uncategorized Expenses	0.00	0.00	0.00
9999 · Suspense	0.00	0.00	0.00
Total Expense	1,165,486.27	1,224,236.32	-58,750.05
Net Ordinary Income	619,707.28	544,664.53	75,042.75
Other Income/Expense			
Other Income			
8250 · Gift Card Revenue	0.00	5,000.00	-5,000.00
Interest Income			
8500 · Interest Income - MMAs	283.43	0.00	283.43
8505 · Interest Income - BB&T BUS IDA	0.00	0.00	0.00
8510 · Interest Income - CDs	8,285.30	6,895.85	1,389.45
8520 · Interest Income - Prudential TB	0.00	0.00	0.00
8530 · Interest Income - Wachovia MM	0.00	0.00	0.00
Total Interest Income	8,568.73	6,895.85	1,672.88

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NC Board of CPA Examiners
Statement of Revenues & Expense - Budget v. Actual
 April 2013 through August 2013

	Apr - Aug 13	Budget	\$ Over Bu...
8200 · Rental Income	15,450.00	13,000.00	2,450.00
8920 · Gain on Sale of Fixed Assets	60.00	0.00	60.00
8921 · Loss on Sale of Fixed Assets	0.00	0.00	0.00
Total Other Income	24,078.73	24,895.85	-817.12
Other Expense			
7000 · Leasing Commission	0.00	0.00	0.00
Total Other Expense	0.00	0.00	0.00
Net Other Income	24,078.73	24,895.85	-817.12
Change in Net Assets	643,786.01	569,560.38	74,225.63

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NC Board of CPA Examiners
Statement of Revenues & Expenses
 Year-to-Date Comparison

	Apr - Aug 13	Apr - Aug 12
Ordinary Income/Expense		
Income		
Certificate Fees		
4110 · Certificates - Initial	21,500.00	21,600.00
4120 · Certificates - Reciprocal	10,200.00	7,900.00
4140 · Certificates - Renewal Fees	1,153,620.00	1,127,400.00
4150 · Certificates - Reinst/Revoked	1,200.00	1,800.00
4151 · Certificates - Reinst/Surr	3,100.00	2,800.00
4152 · Certificates - Reinst/Retired	60.00	0.00
Total Certificate Fees	1,189,680.00	1,161,500.00
Exam Fee Revenue		
4001 · Initial Adm Fees	78,890.00	92,230.00
4002 · Re-Exam Adm Fees	70,050.00	69,600.00
4004 · Exam Fees Revenue	452,720.80	506,115.17
4071 · Exam Review Fees	700.00	0.00
4072 · Exam Scholarship Coupon	-9,532.00	-8,408.45
Total Exam Fee Revenue	592,828.80	659,536.72
Misc		
4970 · Duplicate Certificates	575.00	525.00
4990 · Miscellaneous	354.75	484.00
Total Misc	929.75	1,009.00
Professional Corporation Fees		
4250 · PC Registration Fees	1,650.00	2,150.00
4251 · PC Renewal Fees	75.00	25.00
4252 · PC Renewal Fees W/Penalties	30.00	10.00
Total Professional Corporation Fees	1,755.00	2,185.00
Total Income	1,785,193.55	1,824,230.72
Expense		
6690 · Over & Short	-2.04	-0.07
Fringe Benefits		
5031 · Retirement - NCLB Contribution	24,667.54	16,221.93
5033 · Retirement - NCLB Administr	534.82	1,439.15
5035 · Health Ins. Premiums	45,186.49	43,653.69
5036 · Medical Reim Plan	16,262.87	19,173.48
Total Fringe Benefits	86,651.72	80,488.25
Board Travel		
5120 · Board Travel - Board Meetings	7,548.24	8,178.41
5121 · Board Travel - Prof Meetings	358.54	85.53
5122 · Board Travel - NASBA Annual	1,006.54	0.00
5123 · Board Travel - NASBA Regional	5,010.04	2,599.51
5127 · Board Travel - NCACPA/Board	1,688.14	2,934.34
5129 · Miscellaneous Board Costs	2,348.76	128.46
Total Board Travel	17,960.26	13,926.25

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NC Board of CPA Examiners
Statement of Revenues & Expenses
 Year-to-Date Comparison

	Apr - Aug 13	Apr - Aug 12
Building Expenses		
5800 · Building Maintenance	419.82	447.23
5801 · Electricity	3,859.89	4,566.84
5802 · Grounds Maintenance	2,655.00	745.81
5803 · Heat & Air Maintenance	582.00	1,579.41
5807 · Janitorial Maintenance	2,375.00	2,375.00
5809 · Security & Fire Alarm	2,024.03	1,918.51
5810 · Trash Collection	28.66	269.79
5811 · Water & Sewer	380.21	310.14
Total Building Expenses	12,324.61	12,212.73
Continuing Education -Staff		
5050 · Continuing Education - Staff	3,494.97	1,234.20
Total Continuing Education -Staff	3,494.97	1,234.20
Exam Postage		
5531 · Exam Postage	240.00	240.00
Total Exam Postage	240.00	240.00
Exam Sitting and Grading		
5538 · Exam Vendor Expense	422,602.50	478,021.67
Total Exam Sitting and Grading	422,602.50	478,021.67
Investigation & Hearing Costs		
5222 · Investigation Materials	3,852.13	3,351.81
5230 · Hearing Costs	1,537.85	782.70
5250 · Administrative Cost Assessed	-100.00	-5,681.50
5260 · Civil Penalties Assessed	-12,200.00	-11,900.00
5261 · Civil Penalties Remitted	3,376.98	10,952.15
Total Investigation & Hearing Costs	-3,533.04	-2,494.84
Legal Expense		
5140 · Legal Counsel - Administrative	8,276.66	8,588.52
5210 · Legal Counsel - Prof Standards	735.00	765.00
Total Legal Expense	9,011.66	9,353.52
Misc Personnel		
5034 · Misc. Payroll Deduction	0.00	0.00
5037 · HSA Deduction	0.00	0.00
5090 · Flowers, Gifts, Etc.	92.16	0.00
5091 · Staff Recruiting	299.00	714.00
5092 · Misc. Personnel Costs	1,007.87	257.98
Total Misc Personnel	1,399.03	971.98

NC Board of CPA Examiners
Statement of Revenues & Expenses
 Year-to-Date Comparison

	Apr - Aug 13	Apr - Aug 12
Office Expense		
5301 · Equipment Rent	444.90	444.90
5320 · Payroll Service	731.41	705.52
5360 · Telephone	2,242.66	2,663.08
5361 · Internet & Website	1,649.50	1,521.45
5390 · Clipping Service	1,347.51	1,204.92
5405 · Computer Software Maintenance	23,313.96	15,395.00
5410 · Dues	7,185.00	1,325.00
5420 · Insurance	8,590.00	7,810.00
5440 · Misc Office Expense	420.00	0.00
5445 · Banking Fees	2,188.24	2,078.20
5450 · Credit Card Fees	32,193.97	30,789.45
Total Office Expense	80,307.15	63,937.52
Per Diem - Board		
5110 · Per Diem - Board Meetings	4,750.00	4,050.00
5111 · Per Diem - Prof Meetings	100.00	2,637.52
5113 · Per Diem - NASBA Regional	1,100.00	1,000.00
5114 · Per Diem - NASBA Committees	400.00	1,300.00
5117 · Per Diem - NCACPA/Board	200.00	200.00
Total Per Diem - Board	6,550.00	9,187.52
Postage		
5345 · Postage - UPS	5,123.78	0.00
5340 · Postage - Other	1,273.06	5,194.06
5341 · Postage - Newsletter	33,600.00	30,171.64
5342 · Postage - Business Reply	300.00	500.00
5343 · Postage - Renewal	360.00	360.00
Total Postage	40,656.84	36,225.70
Printing		
5330 · Printing - Other	615.00	1,031.65
5331 · Printing - Newsletter	20,704.98	20,346.81
Total Printing	21,319.98	21,378.46
Repairs & Maintenance		
5381 · Maintenance - Copiers	450.10	409.75
Total Repairs & Maintenance	450.10	409.75
Salaries & Payroll Taxes		
5040 · State Unemployment Tax	78.28	0.00
5010 · Staff Salaries	411,791.77	373,135.71
5020 · Part-Time Staff Salaries	4,544.75	5,336.00
5021 · Temporary Contractors	13.75	26.71
5030 · FICA Taxes	31,897.56	29,043.36
Total Salaries & Payroll Taxes	448,326.11	407,541.78
Scholarships		
5535 · Scholarship	2,000.00	5,000.00
Total Scholarships	2,000.00	5,000.00

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NC Board of CPA Examiners
Statement of Revenues & Expenses
 Year-to-Date Comparison

	Apr - Aug 13	Apr - Aug 12
Staff Travel		
5060 · Staff Travel - Local	185.47	68.31
5061 · Staff Travel - Prof Mtgs	162.75	197.46
5070 · Staff Travel - NASBA Annual	0.00	22.37
5071 · Staff Travel - NASBA Regional	5,448.86	3,093.57
5072 · Staff Travel - NASBA Administr	9.00	87.92
5073 · Staff Travel - NASBA Committee	-153.06	-939.40
5074 · Staff Travel - AICPA	0.00	2,668.04
5075 · Staff Travel - NCACPA Annual	336.00	33.07
5076 · Staff Travel - NCACPA/Board	42.00	1,195.92
5078 · Staff Travel - Vehicle	1,651.79	1,930.58
5080 · Staff Travel - Univ Dialogue	0.00	49.39
Total Staff Travel	<u>7,682.81</u>	<u>8,407.23</u>
Subscriptions/References		
5370 · Subscriptions/References	-360.60	1,433.50
Total Subscriptions/References	<u>-360.60</u>	<u>1,433.50</u>
Supplies		
5350 · Supplies - Office	2,115.26	2,401.46
5351 · Supplies - Copier	1,202.00	618.20
5352 · Supplies - Computer	5,086.95	2,441.79
Total Supplies	<u>8,404.21</u>	<u>5,461.45</u>
9999 · Suspense	0.00	0.00
Total Expense	<u>1,165,486.27</u>	<u>1,152,936.60</u>
Net Ordinary Income	619,707.28	671,294.12
Other Income/Expense		
Other Income		
8250 · Gift Card Revenue	0.00	1,700.00
Interest Income		
8500 · Interest Income - MMAs	283.43	0.00
8510 · Interest Income - CDs	8,285.30	10,203.23
Total Interest Income	<u>8,568.73</u>	<u>10,203.23</u>
8200 · Rental Income	15,450.00	15,000.00
8920 · Gain on Sale of Fixed Assets	60.00	0.00
Total Other Income	<u>24,078.73</u>	<u>26,903.23</u>
Net Other Income	<u>24,078.73</u>	<u>26,903.23</u>
Change in Net Assets	<u>643,786.01</u>	<u>698,197.35</u>

NC State Board of CPA Examiners - CD Portfolio
As of August 31, 2013

As of March 31
Due < 1 yr Due > 1 yr

Bank Name	Purchased	Amount	Rate	Maturity	Terms	Classification	
						Due < 1 yr	Due > 1 yr
GE Capital	4/4/2013	\$203,124	1.150%	5/4/2014	13 mos		\$203,124
GE Capital	11/7/2012	\$140,647	1.170%	11/7/2014	24 mos		\$140,647
Capital Bank	12/13/2011	\$217,509	1.150%	12/13/2013	24 mos	\$217,509	
Capital Bank	1/24/2012	\$253,206	1.150%	1/24/2014	24 mos	\$253,206	
Bank of NC	8/29/2012	\$201,352	1.170%	2/28/2014	18 mos	\$201,352	
Trust Atlantic Bank	7/30/2012	\$246,911	1.050%	7/30/2014	24 mos		\$246,911
Vantage South Bank	10/29/2012	\$249,052	1.010%	10/29/2014	24 mos		\$249,052
TOTAL		\$1,511,802				\$ 672,068	\$ 839,734

Certificates of deposit maturing within one year are shown as current.

**NORTH CAROLINA STATE BOARD
OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS**

FINANCIAL STATEMENTS

**FOR THE FISCAL YEARS ENDED
MARCH 31, 2013 AND 2012**

**BERNARD ROBINSON & COMPANY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS**

**NORTH CAROLINA STATE BOARD
OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEARS ENDED MARCH 31, 2013 AND 2012**

BOARD MEMBERS

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Bucky Glover, CPA, Vice-President

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John M. Kledis, CPA

Michael H. Womble, CPA

Tawannah G. Allen, Ed.D.

ADMINISTRATIVE STAFF

Robert N. Brooks, Executive Director

David R. Nance, CPA, Deputy Director

Frank X. Trainor, Esquire, Staff Attorney

OUTSIDE LEGAL COUNSEL

Allen, Pinnix & Nichols, P.A.

Noel L. Allen, Esquire

NORTH CAROLINA STATE BOARD
OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
FOR THE FISCAL YEARS ENDED MARCH 31, 2013 AND 2012

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North Carolina State Board of Certified Public Accountant Examiners

Management's Discussion and Analysis

Introduction

The following discussion and analysis provides an overview to assist the reader in interpreting and understanding the accompanying basic financial statements. This overview includes a comparative financial analysis with discussion of significant changes from the prior year, as well as a discussion of currently known facts, decisions, and conditions. This information is provided by the North Carolina State Board of Certified Public Accountant Examiners' (Board) management in conjunction with the issuance of the accompanying financial statements.

Overview of the Basic Financial Statements

The Statements of Net Position provide information relative to the Board's assets, deferred outflows, liabilities, deferred inflows, and the resulting net position as of the last day of the fiscal year. Assets and liabilities on these statements are categorized as either current or noncurrent. Current assets are those that are available to pay for expenses in the next fiscal year. Current liabilities are those payable in the next fiscal year. The Board currently has no elements that meet the definition of deferred inflows or deferred outflows. Net position on these statements is categorized as either invested in capital assets or unrestricted. Overall, the Statements of Net Position provide information relative to the financial strength of the Board and its ability to meet current and long-term obligations.

The Statements of Revenues, Expenses, and Changes in Net Position provide information relative to the results of the Board's operations, non-operating activities, and other activities affecting net position that occurred during the fiscal year. Operating activities include the licensure and examination activities for the public practice of accountancy in the State. Non-operating activities include primarily investment income and office rental activities for a portion of the Board-owned building. Overall, the Statements of Revenues, Expenses, and Changes in Net Position provide information relative to the Board's management of its operations and its ability to maintain its financial strength. The above statements are articulated by agreeing the ending net position reported on both statements.

The Statements of Cash Flows provide information relative to the Board's sources and uses of cash funds for operating activities, capital financing activities, and investing activities. These statements provide a reconciliation of beginning cash balances to ending cash balances and is representative of activity reported on the Statements of Revenues, Expenses, and Changes in Net Position as adjusted for changes in beginning and ending balances of noncash accounts on the Statements of Net Position.

The three statements described above are the basic financial statements required by the Governmental Accounting Standards Board (GASB) accounting principles. In accordance with GASB, the financial statements are presented on the Board as a whole and use reporting concepts in a manner similar to that required of a business enterprise. The financial statement

North Carolina State Board of Certified Public Accountant Examiners
Management's Discussion and Analysis

balances reported are presented in a classified format to aid the reader in understanding the nature of the financial statement balances.

In using the basic financial statements, the Notes to the Financial Statements accompanying the basic financial statements should be read in conjunction with the basic financial statements. The Notes to the Financial Statements provide information relative to the significant accounting principles applied in the basic financial statements, authority for and associated risk of deposits and investments, detailed information on capital assets and noncurrent liabilities, revenues and expenses, required information on pension plans, insurance against losses, commitments and contingencies, accounting changes, and if necessary a discussion of adjustments to prior periods and events subsequent to the Board's financial statement period. Overall, the Notes to the Basic Financial Statements provide information to better understand details, risk, and uncertainty associated with amounts reported in the basic financial statements.

Brief Agency Highlights

The Board is an occupational licensing board that grants certificates of qualification as certified public accountants (CPAs) to those individuals who meet the statutory requirements. The Board also adopts and enforces the Rules of Professional Ethics and Conduct to be observed by CPAs in this State. Other functions of the Board include registration of CPA firms; renewal of CPA certificates and CPA firm registrations; administration of the Uniform CPA Examination; administration of the continuing professional education (CPE) compliance program; disposition of administrative hearings with respect to State statutes and rules; and administration of other provisions of Chapter 93 of the *North Carolina General Statutes*.

Analysis of Financial Position and Results of Operations

The Board's net position as of March 31, 2013 and March 31, 2012, was approximately \$2.32 million and \$2.28 million, respectively, an increase of \$40,000 during the year.

North Carolina State Board of Certified Public Accountant Examiners

Management's Discussion and Analysis

Condensed Financial Information

The following table summarizes the North Carolina State Board of Certified Public Account Examiners' assets, liabilities and net position as of March 31, 2013 and 2012.

Condensed Statements of Net Position
March 31, 2013, 2012, and 2011

Assets	2013	2012	% Change	2012	2011	% Change
Current Assets	\$ 1,267,240	\$ 819,214	54.69%	\$ 819,214	\$ 1,027,442	-20.27%
Noncurrent Assets	638,235	1,059,084	-39.74%	1,059,084	749,852	41.24%
Capital Assets, Net	980,772	1,029,998	-4.78%	1,029,998	911,349	13.02%
Total Assets	2,886,247	2,908,296	-0.76%	2,908,296	2,688,643	8.17%
Liabilities						
Current Liabilities	502,393	549,586	-8.59%	549,586	508,127	8.16%
Noncurrent Liabilities	64,208	77,458	-17.11%	77,458	75,307	2.86%
Total Liabilities	566,601	627,044	-9.64%	627,044	583,434	7.47%
Net Position						
Invested in Capital Assets	980,772	1,029,998	-4.78%	1,029,998	911,349	13.02%
Unrestricted	1,338,874	1,251,254	7.00%	1,251,254	1,193,860	4.81%
Total Net Position	\$ 2,319,646	\$ 2,281,252	1.68%	\$ 2,281,252	\$ 2,105,209	8.36%

Current Assets

Current assets as of March 31, 2013, consisted primarily of cash, \$240,000, investments, \$1,019,000, and receivables, \$8,000. Current assets as of March 31, 2012, consisted primarily of cash, \$148,000, investments, \$661,000, and receivables, \$10,000.

Current assets increased during the fiscal year March 31, 2013, due to the increase in cash and short-term certificates of deposit as a majority of the Board's certificates of deposit mature within one year and are classified as current assets.

Noncurrent Assets and Capital

Noncurrent assets as of March 31, 2013, primarily consisted of investments, \$637,000 and capital assets, \$981,000. Noncurrent assets as of March 31, 2012, consisted of investments, \$1,056,000, and capital assets, \$1,030,000.

Noncurrent assets decreased during the fiscal year March 31, 2013 due to the reclassification of investments as current noted above as well as the disposal of fully depreciated assets in the amount of \$38,000.

North Carolina State Board of Certified Public Accountant Examiners
Management's Discussion and Analysis

Liabilities

Current liabilities as of March 31, 2013, consisted primarily of accounts payable, \$26,000, due to examination vendors, \$451,000, accrued compensated absences, \$25,000, and unearned revenue, \$720. Current liabilities as of March 31, 2012, consisted primarily of accounts payable, \$24,000, due to examination vendors, \$474,000, and unearned revenue, \$51,000. The net decrease in current liabilities is primarily caused by the \$50,000 decrease in the unearned revenue due to the timing of licensees' certificate renewals and \$25,000 due to examination vendors related to a lesser number of candidates sitting for the exam. These amounts offset the increase of \$25,000 related to the accrued compensated absences which is due primarily to the anticipated payout of unused vacation accrual to the retiring deputy director.

Noncurrent liabilities consisted entirely of accrued compensated absences in the amount of \$64,000 and \$77,000 as of March 31, 2013 and 2012, respectively. The amount decreased during the current year to properly reflect the above amount to be paid out within the upcoming fiscal year.

Net Position

The Board's net position consists of net assets invested in capital assets and unrestricted net assets. Net assets invested in capital assets were \$981,000 and \$1,030,000 as of March 31, 2013 and 2012, respectively. Unrestricted net assets of \$1.34 and \$1.25 million as of March 31, 2013 and 2012, respectively, represent amounts not subject to externally imposed stipulations, but subject to internal designations for various activities and initiatives.

For the year ended March 31, 2013, the increase in net assets of \$40,000 is primarily attributable to the increase in non-operating income related to rental of Board office space.

North Carolina State Board of Certified Public Accountant Examiners

Management's Discussion and Analysis

The Statements of Revenues, Expenses, and Changes in Net Position present the results of the Board's operations for the report period. The following table summarizes the Board's revenues, expenses, and changes in net position for the years ended March 31, 2013 and 2012.

**Condensed Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended March 31, 2013, 2012, and 2011**

	2013	2012	% Change	2012	2011	% Change
Operating Revenues:						
Exam Fees	\$ 1,435,721	\$ 1,494,670	-3.94%	\$ 1,494,670	\$ 1,590,333	-6.02%
Certificate Fees	1,295,485	1,275,560	1.56%	1,275,560	1,063,660	19.92%
Miscellaneous	1,889	3,719	-49.21%	3,719	1,305	184.98%
Operating Expenses	(2,741,057)	(2,636,454)	3.97%	(2,636,454)	(2,724,269)	-3.22%
Operating Income (Loss)	(7,962)	137,495	-105.79%	137,495	(68,971)	-299.35%
Non-Operating Revenues	63,979	55,107	16.10%	55,107	40,053	37.59%
Non-Operating Expenses	(17,623)	(16,559)	6.43%	(16,559)	(12,004)	37.95%
Increase in Net Position	38,394	176,043	-78.19%	176,043	(40,922)	-530.19%
Net Position Beginning of Year	2,281,252	2,105,209	8.36%	2,105,209	2,146,131	-1.91%
Net Position End of Year	\$ 2,319,646	\$ 2,281,252	1.68%	\$ 2,281,252	\$ 2,105,209	8.36%

Operating Revenues

For the fiscal year ended March 31, 2013, operating revenues totaled \$2.73 million, consisting primarily of exam fee revenue of \$1.44 million and licensing fee revenues of \$1.30 million. For the fiscal year ended March 31, 2012, operating revenues totaled \$2.77 million, consisting primarily of exam fee revenue of \$1.49 million and licensing fee revenues of \$1.28 million.

Non-Operating Revenues

For the fiscal year ended March 31, 2013, non-operating revenues totaled \$64,000, primarily from interest income of \$25,000 and rental income of \$30,000. For the fiscal year ended March 31, 2012, non-operating revenues totaled \$55,000, primarily from interest income of \$32,000 and rental income of \$10,000.

North Carolina State Board of Certified Public Accountant Examiners Management's Discussion and Analysis

The following table summarizes the Board's expenses (operating and non-operating) for the reporting periods.

Operating and Non-Operating Expenses
For the Fiscal Years Ended March 31, 2013, 2012, and 2011

	2013	2012	% Change	2012	2011	% Change
Operating Expenses						
Administrative	\$ 1,713,279	\$ 1,550,217	10.52%	\$ 1,550,217	\$ 1,566,714	-1.05%
Examination	980,474	1,037,369	-5.48%	1,037,369	1,121,545	-7.51%
Building	47,304	48,868	-3.20%	48,868	36,010	35.71%
Total Operating Expenses	<u>\$ 2,741,057</u>	<u>\$ 2,636,454</u>	<u>3.97%</u>	<u>\$ 2,636,454</u>	<u>\$ 2,724,269</u>	<u>-3.22%</u>
Non-Operating Expenses						
Non-Operating Expense	\$ 17,623	\$ 16,559	6.43%	\$ 16,559	\$ 12,004	37.95%
Total Non-Operating Expenses	<u>\$ 17,623</u>	<u>\$ 16,559</u>	<u>6.43%</u>	<u>\$ 16,559</u>	<u>\$ 12,004</u>	<u>37.95%</u>

For the fiscal year ended March 31, 2013, the increase in administrative expenses was related to an increase in salaries and benefits cost of \$131,000 related to the hiring of a replacement deputy director and increased health care costs. Additional costs were also incurred for board travel \$11,000, postage \$11,000, scholarships \$7,000, and computer software costs \$11,000. Examination costs decreased by \$57,000 as a lesser number of candidates sat for the exam during the year.

Economic Factors That Will Affect the Future

The main factors impacting the economic outlook for the Board are the number of candidates seeking to sit for the Uniform Certified Public Accountants examination and the number of licensees registered with the State.

The Board derives 95% of its revenues from examination and licensing fees. Exam revenues have decreased slightly over the past year as a lesser number of examination sections were taken by examination candidates. However, that decrease was offset by a slight increase in active licensees in North Carolina, resulting in an increase in registration fees. The Certified Public Accountant credential is highly regarded in the business world and the Board expects candidates to continue to seek licensure for the foreseeable future.

**North Carolina State Board of Certified Public Accountant Examiners
Management's Discussion and Analysis**

Contacting the Board's Management

This financial report is designed to provide a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives and expends. If you have any questions about this report or need additional information, contact:

North Carolina State Board of Certified Public Accountant Examiners
Post Office Box 12827
Raleigh, North Carolina 27605-2827

INDEPENDENT AUDITOR'S REPORT

Board of Directors
North Carolina State Board of Certified Public Accountant Examiners
Raleigh, North Carolina

Report on the Financial Statements

We have audited the statements of net position of the North Carolina State Board of Certified Public Accountant Examiners (the Board) as of March 31, 2013 and 2012, and the related statements of revenues, expenses, and changes in net position, and cash flows for the fiscal years then ended and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of these basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Board of Directors
North Carolina State Board of Certified Public Accountant Examiners

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Board's activities as of March 31, 2013 and 2012, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements. The supplementary schedules listed on the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Bernard Robinson & Company, L.L.P.

Raleigh, North Carolina
August 19, 2013

North Carolina State Board of Certified Public Accountant Examiners
Statements of Net Position
As of March 31

	2013	2012
ASSETS		
Current Assets:		
Cash	\$ 240,215	\$ 147,617
Short-Term Investments	1,018,696	660,615
Accounts Receivable	6,474	9,127
Deferred Lease Commission	1,855	1,855
Total Current Assets	1,267,240	819,214
Noncurrent Assets:		
Investments	637,000	1,055,993
Deferred Lease Commission	1,235	3,091
Capital Assets, Non-Depreciable (Note 4)	300,000	300,000
Capital Assets, Depreciable, Net (Note 4)	680,772	729,998
Total Noncurrent Assets	1,619,007	2,089,082
Total Assets	2,886,247	2,908,296
LIABILITIES		
Current Liabilities:		
Accounts Payable	25,598	23,912
Due to Examination Vendors	450,639	474,494
Unearned Revenue	720	51,180
Compensated Absences (Note 5)	25,436	-
Total Current Liabilities	502,393	549,586
Noncurrent Liabilities:		
Compensated Absences (Note 5)	64,208	77,458
Total Liabilities	566,601	627,044
NET POSITION		
Investment in Capital Assets	980,772	1,029,998
Unrestricted (Note 1K)	1,338,874	1,251,254
Total Net Position	\$ 2,319,646	\$ 2,281,252

The accompanying notes to the basic financial statements are an integral part of these audited statements.

North Carolina State Board of Certified Public Accountant Examiners
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended March 31

	2013	2012
OPERATING REVENUES		
Examination Fees	\$ 1,435,721	\$ 1,494,670
Licensing Fees	1,295,485	1,275,560
Miscellaneous	1,889	3,719
Total Operating Revenues	2,733,095	2,773,949
OPERATING EXPENSES		
Administrative	1,713,279	1,550,217
Examination	980,474	1,037,369
Building	47,304	48,868
Total Operating Expenses	2,741,057	2,636,454
Operating Income (Loss)	(7,962)	137,495
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	24,979	31,952
Rental Income	30,300	10,000
Credit Card Rebates	8,700	13,050
Gain on the Sale of Equipment	-	105
Building	(17,623)	(16,559)
Total Non-operating Revenues (Expenses)	46,356	38,548
Change in Net Position	38,394	176,043
NET POSITION		
Net Position - Beginning of Year	2,281,252	2,105,209
Net Position - End of Year	\$ 2,319,646	\$ 2,281,252

The accompanying notes to the basic financial statements are an integral part of these audited statements.

North Carolina State Board of Certified Public Accountant Examiners
Statements of Cash Flows
For the Fiscal Years Ended March 31

	2013	2012
CASH FLOWS PROVIDED FROM (USED FOR) OPERATING ACTIVITIES		
Received from Fees	\$ 2,680,746	\$ 2,756,200
Other Amounts Received	1,889	3,719
Payments to Employees for Services	(1,199,636)	(1,078,610)
Payments for Administrative, Examination, and Building Expenses	(1,483,177)	(1,424,373)
Net Cash Provided From (Used For) Operating Activities	(178)	256,936
CASH FLOWS PROVIDED FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(13,712)	(183,774)
Proceeds From the Sale of Capital Assets	-	105
Cash Used For Capital and Related Financing Activities	(13,712)	(183,669)
CASH FLOWS PROVIDED FROM (USED FOR) INVESTING ACTIVITIES		
Proceeds from Maturing Investments	908,549	959,621
Purchases of Investments	(839,717)	(966,756)
Non-Operating Rental Activities	12,677	(6,456)
Interest Income	24,979	32,349
Cash Provided From Investing Activities	106,488	18,758
Net Increase in Cash	92,598	92,025
Cash - Beginning of Year	147,617	55,592
Cash - End of Year	\$ 240,215	\$ 147,617
RECONCILIATION OF OPERATING GAIN (LOSS) TO NET CASH PROVIDED FROM (USED FOR) OPERATING ACTIVITIES		
Operating Gain (Loss)	\$ (7,962)	\$ 137,495
Adjustments to Reconcile Operating Gain (Loss) to Cash Provided From (Used For) Operating Activities:		
Depreciation Expense	56,874	60,076
Credit Card Rebates Redeemed	8,700	13,050
Changes in Assets and Liabilities:		
Accounts Receivable	2,653	2,705
Accounts Payable	1,686	(14,339)
Due to Examination Vendors	(23,855)	69,828
Unearned Revenue	(50,460)	(14,030)
Accrued Vacation	12,186	2,151
Net Cash Provided From (Used For) Operating Activities	\$ (178)	\$ 256,936
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:		
Capital asset write-offs	\$ 37,172	\$ -

The accompanying notes to the basic financial statements are an integral part of these audited statements.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
NOTES TO THE BASIC FINANCIAL STATEMENTS
MARCH 31, 2013

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

- A. Organization and Purpose** - The North Carolina State Board of Certified Public Accountant Examiners (Board) is an independent State agency. It is an occupational licensing board authorized by Chapters 93 and 93B of the *North Carolina General Statutes*. The Board is composed of seven members: five persons who are holders of valid and unrevoked certified public accountant certificates issued under the provisions of Chapter 93, and two persons who are not certified public accountants and represent the public at large.

The Board's primary responsibilities are to administer the Uniform CPA Examination, to grant certificates of qualification as certified public accountants to qualified persons, to register certified public accounting firms, adopt and enforce the Rules of Professional Ethics and Conduct to be observed by CPAs in this State, and to enforce all statutes and rules of *North Carolina General Statutes* Chapter 93 and the *North Carolina Administrative Code*, Title 21, Chapter 08.

The Board had 19,384 and 18,987 licensees as of March 31, 2013 and 2012, respectively.

- B. Financial Reporting Entity** - The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents for their actions. As required by accounting principles generally accepted in the United States of America (GAAP), the financial reporting entity includes both the primary government and all of its component units. An organization other than a primary government serves as a nucleus for a reporting entity when it issues separate financial statements. The Board is a component unit of the State of North Carolina and is an integral part of the State's *Comprehensive Annual Financial Report* (CAFR).

Component units are legally separate entities for which the State is financially accountable. Accountability is defined as the State's substantive appointment of a majority of the component unit's governing board. Furthermore, to be financially accountable, the State must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific benefits to, or impose

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

specific financial burdens on, the State. Financial accountability also exists when an organization is fiscally dependent upon the State.

As required by *North Carolina General Statute 93-12*, the Governor appoints the seven members of the Board. The Board's operations are financed with self-generated revenues from fees charged to examinees and licensees. Because of the State's appointment of the Board and the benefit/burden relationship, the Board is a component unit of the State of North Carolina and the Board's basic financial statements are included in the State's CAFR.

The accompanying basic financial statements present all funds and activities for which the Board is responsible.

- C. Basis of Presentation** - The accompanying basic financial statements are presented in accordance with accounting principles generally accepted in the United States of America as prescribed by Governmental Accounting Standards Board (GASB).

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

- D. Basis of Accounting** - The basic financial statements of the Board are prepared using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when a liability has been incurred, regardless of the timing of the cash flows.

The Board classifies its revenues and expenses as operating or non-operating in the accompanying Statements of Revenues, Expenses, and Changes in Net Position. Operating revenues and expenses generally result from providing services that are necessary to the Board's principal ongoing operations. Operating revenues include activities that have characteristics of exchange transactions and consist primarily of examination and license fees. Operating expenses are all expense transactions incurred other than those related to capital and noncapital financing or investing activities as defined by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting*.

Non-operating revenues and expenses include activities that have characteristics of non-exchange transactions and consist primarily of

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

rental and investing type activities. Building expenses are allocated to operating or non-operating activities based on square footage.

- E. **Cash** - This classification includes cash on deposit and money market accounts with private bank accounts. For the purpose of the Statements of Cash Flows, the Board considers all investments with a maturity of three months or less when purchased to be cash.
- F. **Investments** - This classification includes non-negotiable certificates of deposit with original maturities of more than three months. Certificates of deposit maturing within one year are shown as current. The certificates of deposit are reported at fair market value, which is cost plus accrued interest to date.
- G. **Receivables** - Receivables consist of amounts due from administrative proceedings and are shown at book value with no provision for doubtful accounts considered necessary.
- H. **Capital Assets** - Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. The Board capitalizes assets that have a value or cost of \$500 or greater at the date of acquisition and an expected useful life of in excess of two years.

Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building	10 - 40
Furniture	7 - 10
Equipment	5 - 10
Software	5
Vehicle	5

When an asset is disposed of, the cost of the asset and the related accumulated depreciation are removed from the financial records. Any gain or loss on disposition is reflected as a non-operating activity for the year.

The Board occupies 75% of its building while leasing the other 25% of the building, which is also accounted for as a non-operating activity.

- I. **Noncurrent Liabilities** - Noncurrent liabilities consist of compensated absences that will not be paid within the next fiscal year.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

- J. Compensated Absences** – Employees are permitted to accumulate earned but unused vacation pay benefits and all vacation pay is accrued when incurred. When determining the vacation pay liability due within one year, leave is considered taken on a last in, first out (LIFO) basis. The Board's policy provides for a maximum accumulation of unused vacation leave of 30 days for staff members and 45 days for the Executive and Deputy Directors which can be carried forward each April 1st or for which an employee can be paid upon termination of employment. Also, any accumulated vacation leave in excess of 30 days as of March 31 is converted to sick leave.

The Board's sick leave policy provides for an unlimited accumulation of earned sick leave. There is no liability for unpaid accumulated sick leave because the Board has no obligation to pay sick leave upon employee termination or retirement.

- K. Net Position** - The Board's net position is classified as follows:

Invested in Capital Assets - This represents the Board's total investment in capital assets, net of accumulated depreciation.

Unrestricted Net Assets - Assets with no external restriction as to use or purpose. They can be employed for any purpose designated by the governing board, as distinguished from funds restricted externally for specific purposes.

Designations of net assets represent tentative management plans that are subject to change based on perceived operating conditions and situations.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Designated amounts as of March 31, 2013 were as follows:

Litigation	\$ 750,000
Operating Expenses	300,000
Capital Asset Acquisitions and/or Improvements	100,000
Total	<u>\$ 1,150,000</u>

- L. Budgetary Information** – Annual budgets are adopted by the Board and prepared and reported on the accrual basis of accounting. The budget prepared for fiscal year ended March 31, 2013 identifies major sources of revenue and expenses that were intended for the year and is presented as Schedules of Budget and Actual – Revenues, Expenses, and Changes in Net Position in the supplementary information. Although budgeted amounts lapse at year-end, the Board retains its unexpended net assets to fund expenses of the succeeding year.
- M. Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates, resulting in adjustments in future periods.

NOTE 2 - DEPOSITS AND INVESTMENTS

- A. Deposits** - All funds of the Board are deposited in board-designated official depositories or brokerage firms. The Board's deposits include cash on deposit with private bank accounts, money market accounts, and certificates of deposit. The amount shown on the Statements of Net Position as cash consists of deposits in private financial institutions with a carrying value of \$1,895,911, and a bank balance of \$1,958,620. Included in the deposits in private financial institutions are certificates of deposit in the amount of \$1,655,696 reported as investments in the Statements of Net Position.

Custodial credit risk is the risk that in the event of a bank failure, the Board's deposits may not be returned to it. The Board does not have a formal deposit policy for custodial credit risk. The Board's deposits with each commercial bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Board's bank deposits in excess of the FDIC insured limit totaled \$465,710 at March 31, 2013.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

- B. Investments** - There are no legal limitations on the types of investments by the Board. The Board has adopted formal investment policies to establish investment objectives, standards of prudence, eligible investments, and safekeeping and custodial procedures necessary for the prudent management of the private funds maintained by the Board.

The Board is subject to the following risks:

Interest Rate Risk: Interest rate risk is the risk the Board may face should interest rate variances affect the fair value of investments. In accordance with its investment policy, the Board manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio. For its major investment type, certificates of deposit maturities may not exceed 24 months.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Board manages credit risk by diversifying its investment portfolio. Investments are limited to:

- Obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States
- Obligations of the State of North Carolina
- Time Deposits, Certificates of Deposit, and Savings Accounts of financial institutions with a physical presence in North Carolina

The following table presents the fair value of investments by type and investments subject to interest rate risk and credit risk at March 31, 2013, for the Board's investments.

Investment Type	Fair Value	Properties of Debt Securities	
		Weighted Average Maturities	Ratings
Other Securities:			
Certificates of Deposit	\$ 1,655,696	N/A	N/A

Certificates of deposit reported as investments are also a component of the deposit totals reported in the deposits section of this note.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

A reconciliation of deposits and investments for the Board to the basic financial statements at March 31, 2013, is as follows:

	<u>Amount</u>
Carrying Amount of Deposits with Private Financial Institutions	\$ 223,144
Money Market Mutual Funds	17,071
Investments in Certificates of Deposit	<u>1,655,696</u>
Total Deposits and Investments	<u>\$ 1,895,911</u>
Current:	
Cash and Cash Equivalents	\$ 240,215
Short-Term Investments	1,018,696
Noncurrent:	
Investments	<u>637,000</u>
Total Deposits and Investments	<u>\$ 1,895,911</u>

NOTE 3 - UNEARNED REVENUE

The Board defers revenue recognition in connection with resources that have been received, but not yet earned. Certificate renewal fees are collected in advance and recorded as unearned revenue at year-end to be recognized as revenue when the license period begins in the next fiscal year. Unearned revenue reported was \$720 and \$51,180 for the periods ended March 31, 2013 and 2012, respectively.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - CAPITAL ASSETS

A summary of changes in the capital assets for the year ended March 31, 2013, is presented as follows:

	Balance April 1, 2012	Additions	Deletions	Balance March 31, 2013
Capital Assets, Non-depreciable:				
Land and Improvements	\$ 300,000	\$ -	\$ -	\$ 300,000
Capital Assets, Depreciable:				
Building	917,143	9,241	-	926,384
Furniture	113,918	-	-	113,918
Equipment	201,613	4,471	(37,172)	168,912
Software	180,337	-	-	180,337
Vehicle	26,622	-	-	26,622
Total Capital Assets, Depreciable	1,439,633	13,712	(37,172)	1,416,173
Less Accumulated Depreciation				
Building	(290,899)	(24,713)	-	(315,612)
Furniture	(111,842)	(561)	-	(112,403)
Equipment	(147,849)	(18,867)	37,172	(129,544)
Software	(154,608)	(13,473)	-	(168,081)
Vehicle	(4,437)	(5,324)	-	(9,761)
Total Accumulated Depreciation	(709,635)	(62,938)	37,172	(735,401)
Total Capital Assets, Depreciable	729,998	(49,226)	-	680,772
Capital Assets, Net	\$ 1,029,998	\$ (49,226)	\$ -	\$ 980,772

When an asset is disposed of, the cost of the asset and the related accumulated depreciation are removed from the financial records. Any gain or loss on disposition is reflected in the earnings for the period. The Board occupies 75% of the building and began leasing the other 25% of the office space during the 2012 fiscal year. Depreciation charged to operations and non-operations was \$56,874 and \$6,063, respectively.

NOTE 5 - NON-CURRENT LIABILITIES

A summary of changes in non-current liabilities for the year ended March 31, 2013, is presented as follows:

	Balance April 1, 2012	Additions	Deletions	Balance March 31, 2013	Current Portion
Compensated Absences	\$ 77,458	\$ 82,297	\$ 70,111	\$ 89,644	\$ 25,436

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 - EMPLOYEE PENSION PLAN

The Board participates in the North Carolina Licensing Board Retirement Savings Plan (Plan), which is a defined contribution plan created under Internal Revenue Code Section 401(k). Employees are eligible to participate in the Plan immediately upon employment. For each year of service, employees vest 20% in employer contributions. A 6% contribution, based on eligible employee compensation, is made monthly by both the Board and the employee. Employees may make additional voluntary contributions to the Plan. The Plan is administered by Prudential Insurance Company of America. Board pension costs including administrative fees, totaled \$51,369 and \$52,272 for fiscal years 2013 and 2012, respectively. Employee contributions totaled \$94,261 and \$87,958 for fiscal years 2013 and 2012, respectively.

NOTE 7 - RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; injuries to employees; and natural disasters. These exposures to loss are managed using a combination of methods, including purchase of commercial insurance and self-retention of certain risks. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

Public Officers and Employees Liability Insurance – Tort claims against Board members of up to \$1,000,000 are retained by the State under the authority of the State Tort Claims Act. Additional coverage is provided to the Board through the purchase of excess public officers' and employees' liability insurance with a private insurance company.

Fire, Automobile, and Other Loss Insurance - Fire, coverage for other property losses, and vehicular liability insurance are covered by contracts with a private insurance company.

Cyber Risk Insurance – The Board is protected for losses due to risks associated with e-business, the Internet, networks and informational assets.

Employee and Computer Fraud - The Board is protected for losses from employee dishonesty and computer fraud for employees with a private insurance company.

Comprehensive Major Medical Plan - Employees are provided health care coverage by Blue Cross Blue Shield of North Carolina. The Plan is funded by employer and employee contributions.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

The Board makes the necessary arrangements to carry out the provisions of the Workers' Compensation Act by purchasing workers' compensation insurance for employees through a private insurance company.

NOTE 8 - LEASE REVENUE - NON-OPERATING

Effective December 31, 2011, the Board entered into a three-year agreement to lease office space to The Family Resource Center of Raleigh, Inc. The lease agreement called for monthly payments of \$2,500 to be paid for the first year with a three percent annual increase in monthly payment amounts. The Board also incurred \$5,564 for a lease commission that is being recognized as an expense over the term of the lease. Future minimum lease payments to be received under the lease agreement are as follows:

<u>Fiscal Year</u>	<u>Lease Revenue</u>
2014	\$ 31,209
2015	21,218
	<u>\$ 52,427</u>

NOTE 9 - SCHOLARSHIP AWARD PROGRAMS

The *North Carolina General Statute* 93B-11 allows occupational licensing boards to use the interest earned on its funds for educational purposes to benefit licensees or the public. The Board provides these services through a Uniform CPA Examination "coupon" program and a graduate-level scholarship award program.

The Board awards a coupon, available to one financially-needy student graduating with an undergraduate degree in accounting, to each of the 36 North Carolina colleges and universities which grant undergraduate accounting degrees. Additional coupons are awarded at each of North Carolina's historically black colleges and universities. The coupons are valid for one year from the date of issue and cover the graduating student's initial application fee and the cost of sitting for each section of the Uniform CPA Examination. The current value of each coupon is \$953. The Board accounts for the coupon program by netting the costs associated with the actual redeemed coupons against its examination fee revenues. The cost of the coupon program totaled \$21,793 and \$19,330 for fiscal years 2013 and 2012, respectively.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

universities that offer a graduate-level degree in accounting. The scholarship is awarded through the college or university in the student's name. The Board accounts for the scholarship program by reporting a scholarship expense at the time the funds are disbursed to the awarding college or university. The cost of the scholarship program totaled \$13,000 and \$6,000 for fiscal years 2013 and 2012, respectively.

NOTE 10 - FUNCTIONAL EXPENSES

The costs of providing the various programs and activities have been presented by their functional categories in the Statements of Revenues, Expenses, and Changes in Net Position. The Supplementary Schedules accompanying the basic financial statements include a summarization of those expenses by their natural classification for each fiscal year. Following are the functional categories and the services associated with those functions:

Administrative - Expenses for the overall direction of the Board, its general board activities, business management, recordkeeping, budgeting, and administrative services. Also included are the costs for the enforcement of all statutes and rules administered by the Board.

Examination - Expenses related to the administration of the Uniform CPA Examination by potential candidates including examination and grading costs.

Building - Maintenance and upkeep costs related to the Board owned building. Costs are allocated as operating and non-operating based on space leased to other occupants per Note 4.

NOTE 11 - CHANGES IN FINANCIAL ACCOUNTING AND REPORTING

For the fiscal year ended March 31, 2013, the Board implemented the following pronouncement issued by the Governmental Accounting Standards Board (GASB):

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONCLUDED)

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, supersedes GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided for business-type activities to apply post-November 30, 1989, FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. This Statement has been applied retrospectively and had no impact on the Board's net assets, changes in net assets or financial reporting disclosures.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides guidance on how to present two newer financial statement elements - "deferred inflows" and "deferred outflows" - within a government's financial statements. Format changes to the balance sheet resulted in terminology changes from the "Net Asset" concept to the "Net Position" concept.

NOTE 12 - RECLASSIFICATION

Information related to payments to employees for services and payments for administrative, examination, and building expenses in the 2012 comparative Statements of Cash Flows has been reclassified to conform to the 2013 presentation.

North Carolina State Board of Certified Public Accountant Examiners
Schedules of Administrative Expenses
For the Fiscal Years Ended March 31

	2013	2012
Administrative Expenses		
Salaries and Employee Benefits	\$ 1,211,822	\$ 1,080,761
Legal Counsel and Hearing Expense	41,407	38,691
Travel - Board Members	58,531	47,714
Postage	87,800	76,692
Depreciation	38,686	43,882
Printing	52,848	54,315
Credit Card Fees - License Renewals	40,337	43,297
Travel - Staff	44,383	41,051
Website Maintenance	3,831	14,903
Computer Programming and Assistance	1,740	2,965
Office Supplies	12,479	9,806
Insurance	14,157	9,288
Scholarships	13,000	6,000
Telephone	6,806	6,822
Dues and Subscriptions	12,575	10,911
Audit Fees	7,400	7,125
Clipping Service	4,377	4,369
Professional Continuing Education	3,234	1,850
Equipment Repairs and Maintenance	2,947	5,546
Consulting Fees	-	1,105
Payroll Service	1,819	1,752
Computer Software	43,522	32,735
Equipment Rental	890	869
Banking Fees	3,992	4,144
Miscellaneous	4,696	3,624
Total Administrative Expenses	\$ 1,713,279	\$ 1,550,217

North Carolina State Board of Certified Public Accountant Examiners
Schedules of Examination Expenses
For the Fiscal Years Ended March 31

	<u>2013</u>	<u>2012</u>
Examination Expenses		
Examinations and Grading	\$ 979,094	\$ 1,036,110
Postage	<u>1,380</u>	<u>1,259</u>
Total Examination Expenses	<u>\$ 980,474</u>	<u>\$ 1,037,369</u>

North Carolina State Board of Certified Public Accountant Examiners
Schedules of Building Expenses
For the Fiscal Years Ended March 31

	2013	2012
Building Expenses - Operating		
Depreciation	\$ 18,188	\$ 16,194
Utilities	9,271	6,496
Maintenance	16,681	23,567
Insurance	3,164	2,611
Total Building Expenses - Operating	\$ 47,304	\$ 48,868
 Building Expenses - Non-Operating		
Depreciation	\$ 6,063	\$ 5,049
Utilities	3,090	2,166
Maintenance	5,560	7,855
Insurance	1,055	871
Leasing Commission	1,855	618
Total Building Expenses - Non-Operating	\$ 17,623	\$ 16,559

North Carolina State Board of Certified Public Accountant Examiners
Schedules of Budget and Actual - Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended March 31

	2013			2012		
	Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget
Revenues						
Examination Fees	\$ 1,479,074	\$ 1,435,721	\$ (43,353)	\$ 1,564,688	\$ 1,494,670	\$ (70,018)
Licensing Fees	1,298,460	1,295,485	(2,975)	1,249,000	1,275,560	26,560
Other	75,520	65,869	(9,651)	32,000	58,826	26,826
Total Revenues	2,853,054	2,797,075	(55,979)	2,845,688	2,829,056	(16,632)
Expenses						
Personnel	1,292,764	1,256,205	(36,559)	1,149,809	1,126,048	(23,761)
Examination	1,078,300	980,474	(97,826)	1,154,000	1,037,369	(116,631)
Scholarship	10,000	13,000	3,000	10,000	6,000	(4,000)
Office	303,000	305,451	2,451	301,825	287,882	(13,943)
Board and Legal	123,190	99,938	(23,252)	150,441	86,405	(64,036)
Building	51,530	40,675	(10,855)	58,901	44,184	(14,717)
Depreciation	-	62,938	62,938	-	65,125	65,125
Total Expenses	2,858,784	2,758,681	(100,103)	2,824,976	2,653,013	(171,963)
Change in Net Position	(5,730)	38,394	44,124	20,712	176,043	155,331
Net Position - Beginning of Year	2,281,252	2,281,252	-	2,105,209	2,105,209	-
Net Position - End of Year	\$ 2,275,522	\$ 2,319,646	\$ 44,124	\$ 2,125,921	\$ 2,281,252	\$ 155,331

